FOREIGN AFFAIRS

AN AMERICAN QVARTERLY REVIEW

ROUTE		INITIALS
1	PMS	
2	XO	
	S1	
3	S3	
4	S4	
5	[illegible]	
[illegible]		[illegible]
6	[illegible]	
9		FILE
7		
8		
	FILE/DESTROY	

OCTOBER

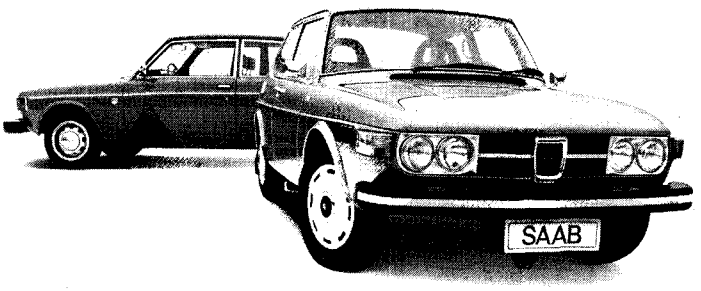
1974

Department of Military Science
Wheaton College, Wheaton, Ill. 60187

VOL. 53 NO. 1 $2.50 A COPY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Why you should consider a Saab if you're looking at a Volvo.



1. Our Shape.
Styling is a very subjective judgement, but we know with the help of wind tunnel tests that the way our car looks, helps the way it works. And that in itself is very beautiful, indeed.

2. Smaller outside. More room inside.

	Saab 99	Volvo 142
Overall length:	174.0"	188.0"
Wheelbase	97.4"	103.0"
Headroom, front	39.5"	39.0"
Headroom, rear	38.5"	35.5"
Trunkspace	23.3 cu. ft.	23.2 cu. ft.

3. Front-wheel drive.
We feel front-wheel drive is a safer system for the average driver because you're less apt to skid and it gives you better directional stability. We also think that it gives you a sports-car feel of the road. And the increased traction you get by putting the engine weight over the drive wheels is a big advantage on wet and slippery pavements.

4. Rack and pinion steering. Overhead cam.
Rack and pinion steering is the type of steering found on most famous race cars. Drivers prefer it because it gives them a better feel of the road and a more direct response.

Saab also has an overhead camshaft on its 2 liter fuel-injected engine.

5. As many dealers as Volvo.
Saab has more than 450 dealers nationwide. As many as Volvo. More than Audi. And more than any other car in our class.

To find the dealer nearest you, check the yellow pages.

6. Price.
The P.O.E. price of the Saab 99LE two door with manual transmission, radial ply tires, and all other standard equipment is $4,698. The comparable model for Volvo is the 142 at $4,760.

7. The test drive is the test.
We think the fun of driving that you experience in a Saab will convince you that comfortable, safe, dependable, practical, economical transportation doesn't have to be dull.

No matter what other car you may be considering, we think once you test drive a Saab you'll be convinced to buy one.

SAAB

It's what a car should be.

There are more than 450 Saab dealers nationwide. Price does not include dealer prep., taxes and optional equipment, if any.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

OCTOBER 1974

Beyond Détente: Toward International Economic Security
Walter F. Mondale 1

International Security Today . . . . . *William P. Bundy* 24

Engagement in the Middle East . . . . . *Nadav Safran* 45

More Nuclear Nations?
Nuclear Reactors: America Must Act . *Adlai E. Stevenson III* 64
Can Proliferation Now Be Stopped? . . . *George H. Quester* 77

Coping with Famine . . . . . *Jean Mayer* 98

Multinationals: The Game and the Rules
Multinationals and Developing Countries: Myths and Realities
Peter F. Drucker 121
Coming Investment Wars? . . . . . *C. Fred Bergsten* 135
Multinational Corporations in World Politics *Joseph S. Nye, Jr.* 153

Recent Books on International Relations 176

Source Material . . . . . *Donald Wasson* 195

WILLIAM P. BUNDY
Editor

JAMES CHACE
Managing Editor

JENNIFER SEYMOUR WHITAKER
Assistant Editor

ELIZABETH H. BRYANT
Book Editor

Editorial Advisory Board

A. DOAK BARNETT
C. FRED BERGSTEN
JAMES H. BILLINGTON
HARVEY BROOKS
CARL KAYSEN
WILLIAM L. LANGER
JOHN J. MCCLOY
HARRY C. MCPHERSON, JR.
WILLIAM M. ROTH

Published quarterly by the Council on Foreign Relations, Inc. Editorial Office, 58 East 68 Street, New York, N.Y. 10021. The Editors will consider manuscripts submitted, but assume no responsibility regarding them. Cable address Foraffairs, New York. Payments and inquiries concerning subscriptions and reprints of articles should be sent to *Foreign Affairs*, 428 East Preston Street, Baltimore, Md. 21202. Subscription price $10.00 a year, post-free to any address.

Vol. 53, No. 1.

Copyright 1974, Council on Foreign Relations, Inc. Printed in the U.S.A.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONTRIBUTORS TO THIS ISSUE

WALTER F. MONDALE, U.S. Senator from Minnesota * * * *WILLIAM P. BUNDY,* Editor of *Foreign Affairs* * * * *NADAV SAFRAN,* Professor of Government and member of the staff of the Middle East Center and of the Center for International Affairs, Harvard; author of *From War to War: The Arab-Israeli Confrontation, 1948–1967* and other works * * * *ADLAI E. STEVENSON,* U.S. Senator from Illinois * * * *GEORGE H. QUESTER,* Professor of Government, Cornell University, and currently Fellow at the Center for Advanced Study in the Behavioral Sciences; author of *The Politics of Nuclear Proliferation* and other works * * * *JEAN MAYER,* Professor of Nutrition and Lecturer on the History of Public Health, Harvard; Chairman of the White House Conference on Food, Nutrition and Health, 1968 and 1971; General Coordinator of the 1974 U.S. Senate Study on National Nutrition Policy, and a member of the Protein Advisory Group of the United Nations System and Director of the UNICEF-FAO-WHO Study on Child Nutrition * * * *PETER F. DRUCKER,* consultant; Professor of Social Science, Claremont Graduate School; author of *The Age of Discontinuity* and *Management: Tasks; Responsibilities; Practices* and other works * * * *C. FRED BERGSTEN,* Senior Fellow at the Brookings Institution, Washington, D.C., where he is directing a study of U.S. policy toward foreign investment by U.S. firms * * * *JOSEPH S. NYE, JR.,* Professor of Government, Harvard; author of *Peace in Parts* and co-editor of *Transnational Relations and World Politics.*

The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

NOTE: *Foreign Affairs* WILL CONTINUE TO CONSIDER FOR PUBLICATION, IN OUR CORRESPONDENCE SECTION, MATERIAL SUBMITTED BY READERS THAT DEALS WITH THE SUBSTANCE OF ARTICLES THAT HAVE APPEARED IN CURRENT ISSUES OF THE MAGAZINE.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS

Vol. 53 OCTOBER 1974 No. 1

BEYOND DETENTE: TOWARD INTERNATIONAL ECONOMIC SECURITY

By Walter F. Mondale

ECONOMIC issues are now front and center for the world's political leaders, topping the agenda of both domestic and foreign policy concerns. While the major international security issues of the last quarter-century are still with us—the competition in strategic nuclear arms, the struggle of differing political systems, the confrontation of massively armed alliances in Europe, the menace of great-power involvement in local conflict—these are now being overshadowed by the risk that the operation of the international economy may spin out of control. For if this happens there will be no graver threat to international stability, to the survival of Western democratic forms of government, and to national security itself.

Last June West German Chancellor Helmut Schmidt spoke plainly at the NATO summit meeting. As he saw it, the most serious risks facing NATO were not military. The growing economic difficulties of its members, he said, "include dangers that cannot be exaggerated. Inflation and the necessarily following recession pose the greatest threat to the foundations of Western society."

Throughout the crisis of the Presidency, it was difficult for the American public to focus on international issues. What serious discussion there was dealt almost exclusively with the problems of détente with the Soviet Union. It is on this issue that Secretary Kissinger has called for a great debate, and Senator Fulbright is responding by holding extensive hearings to air the views of both critics and supporters of the Nixon Administration's dealings with the Soviet Union.

Certainly détente is important. The gains in East-West rela-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions must be consolidated on a realistic basis; negotiations on strategic arms, the European Security Conference and the question of force levels in Europe must be pursued, and the attempt to progress toward a peace settlement in the Middle East (itself in part a test of the scope of détente) must command special and unremitting attention.

But just as inflation has now emerged as by far the most pressing domestic concern, so international economic policy is now our top external challenge. In terms of the scale of the problems and the imagination required for their solutions—and especially in light of the inadequate attention economic questions have received in recent years—this is the area which calls for our greatest efforts. The priority we have accorded for years to traditional political and security concerns must now be given to international economic issues. If we do not resolve them, the security problems that may ensue could dwarf those that now remain.

II

That economic problems have become critical in their own right should now be evident to us all. The first serious talk of major depression since World War II is gaining currency. Editors and economic analysts, from *The Journal of Commerce* to *The New Republic,* are pointing to the danger signs of economic collapse. By midyear, even though the shock of the Arab oil embargo and price rises had been largely absorbed in the United States, inflation was running above ten percent, real GNP was declining by 0.8 percent, while unemployment stayed high at 5.2 percent and was expected to rise.

In Europe and Japan the situation is, if anything, worse. By August the rate of inflation was roughly 18 percent in Great Britain, more than 20 percent in Italy, 15–16 percent in France, and about 25 percent in Japan. Real GNP was dropping in Britain and Italy, while even West Germany, with the healthiest economy in Europe, and Japan, with almost miraculous growth rates in the past, were both down to only two percent growth. High interest rates have choked off investment everywhere while unemployment has grown ominously in almost all major European countries. To these grim statistics must be added the oil bill, which this year will contribute to a European balance-of-payments deficit estimated at $20 billion, and growing concern, fed by the collapse of the Herstatt Bank in Cologne and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the near collapse of the Franklin National Bank in New York, that the world's major financial institutions may be in jeopardy. Bankers in Europe and the United States are deeply worried that more banks may go under.

The outlook for the bulk of the poor nations is even more bleak. The additional aid required this year to meet the increased cost of food and energy is not materializing. This shortfall, and the lower North American harvest now projected for this fall, may be laying the groundwork for widespread famine and food shortages.

So far, however, the main dangers lie in the future, at least for the industrialized countries. At this writing, competitive devaluations have not taken place. Arab oil receipts are being recycled. The IMF has acted to help Italy and other countries meet their massive balance-of-payments problems stemming from the oil price rise. In early July, central bankers meeting in Basel agreed to try to help banks in financial trouble. The OECD is now predicting a lower inflation rate in the major industrialized countries for the last half of 1974.

Yet industrialized countries will remain under economic pressure. Even if oil prices soften somewhat, the energy bill will remain staggering. In the United States serious proposals have recently been advanced for at least two more years of stagnant growth to tame inflation, and the prospect of more than six percent unemployment has been greeted with equanimity by Administration officials.

Austerity measures in Italy, France and West Germany now appear to be slowing inflation, but before these countries can breathe a sigh of relief they are already gritting their teeth over the possibility of recession. Europeans and others must confront growing internal pressure to resort to unilateral beggar-thy-neighbor actions—export and import controls, exchange controls, devaluations and dumping. Arab oil revenues may grow into a massive and mercurial threat to international financial stability. Informal cooperation among economic authorities in the major countries, which has been instrumental in containing the crisis thus far, may not be able to stand up under persistent stress.

Ultimately, the intensity and duration of the current economic crisis will depend upon what governments do about it. While it is imperative to avoid self-fulfilling prophecies of economic doom, there is no automatic guarantee that things will come out

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

all right. Therefore, responsible leaders of all political persuasions throughout the industrialized world must, as a matter of prudence, give serious consideration to the grimmer assessments.

As they look upon the international economic scene, moreover, apprehension is fueled by frustration, because the problems are beyond the span of control of individual nations. With the growth in economic interdependence, the problems are inextricably linked, and only a comprehensive and systematic international effort can deal with them.

III

There is nothing new in the idea of a comprehensive approach to dealing with the world's economic problems, nor in giving such concerns high priority in our foreign policy. Even as World War II raged, and with the consequences of the Great Depression still vivid, major efforts were made to build new economic institutions on a worldwide basis. The Soviet Union was represented at the Bretton Woods Conference in 1944, which established the International Monetary Fund and paved the way for the World Bank, and the Soviets also were invited to participate in the Marshall Plan.

Both Bretton Woods and the Marshall Plan stemmed from the recognition of interdependence—that the economic health of the major countries of the world affected the security and well-being of the others. It was clear that some kind of international economic system would rise from the ashes of World War II and the real task was to assure that it promoted recovery and did not go haywire as it had after World War I.

During this same period, the late 1940s, there was a parallel effort to build a comprehensive system of collective military security via the United Nations. This, too, was based on the conviction that security was interdependent, or as it was fashionable to say at the time, indivisible.

These first tentative structures for a reasonably universal economic and security system cracked apart in the intensity of the cold war. The industrialized market-economy countries ended up organizing the international economic system on their own while the Communist countries withdrew into autarky and set up their own more rudimentary arrangements. The Third World was so dependent on the industrialized world as to be only an appendage of it.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Over the next two decades, the 1950s and 1960s, the colonial nations of the Third World became independent, but wielded little economic or political power. Competition between East and West, along with traditional ties to the West, assured the Third World a certain amount of development assistance. Over time the Communist countries grew stronger and came to trade more with both the West and the Third World, while the latter began to participate to some degree in the management of the international economic system through the World Bank and IMF—in particular the Committee of 20 dealing with monetary affairs.

But at the beginning of this decade, we in the United States and the rest of the Western industrialized world, including Japan, clearly controlled our own economic security. Interdependence seemed only limited. For practical purposes the international economy *was* the economy of the Western world. We did not depend on the economic behavior of the Communist world in any significant way, and we were largely in control of what we needed from the Third World, despite the clamor of its representatives for greater equity.

The situation has changed markedly in the last four years. The West's international economic system is no longer insulated. Both the Third World and the Communist countries have dramatically demonstrated a capacity to disrupt it through cartel pricing of oil and massive grain purchases respectively.

In addition, just this year a "Fourth World" has precipitated out from the Third. Its members are those who lack major resources or economic power. The nations in this group are more dependent, more deprived and more aware of it than any large segment of the world's population in history. That some of the desperate nations of this Fourth World now may have access to nuclear weapons only adds to the prospects for tragedy.

There is a new distribution of economic power in the world and we must learn to deal with it. However, the sudden emergence of this changed economic equation is not just the result of Soviet grain purchases and the oil crisis. The impact of those developments has been directly proportional to the long-range changes already underway inside the Western international economic system.

By the early 1970s this system faced a visible breakdown in the way it managed its monetary affairs, and was already in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

throes of an acute crisis of inflation—which spread from country to country in accordance with a sort of Gresham's Law toward the highest national rate. Inflation accompanied by stagnation was a new and bewildering phenomenon, undermining confidence in our ability to manage our industrial economies. Aid to developing countries had declined, generating increased desperation and resentment. In the last year, all these developments combined to form the essence of what may now be termed a total crisis: one that is both economic and political and involves the entire international system.

Fortunately this crisis coincides with a period in which political and military security issues are muted, and some of the major divisions in the world are being bridged and even healed. But we must seize the opportunities presented by détente and other improvements in the international picture to deal effectively with our economic problems, or the progress we have made toward a more secure world may be undone.

In the late 1920s there was also a version of détente, symbolized by the Treaty of Locarno, and at the same time an emerging depression. When the nations of the world failed to cooperate to deal with the depression, its consequences rapidly unraveled the elements of that détente, and in the end economic collapse contributed mightily both to the emergence of grave threats from Germany and Japan and to the paralysis of other nations, including the United States, in the face of those threats.

It is not alarmist to suggest that something of the same sort could happen today. If the economic crisis continues to deepen, détente, now stalled at several key points, could well go into reverse. Already the economic pressures on the members of NATO are undermining their defense postures and reducing Soviet incentives to negotiate. A more grave economic crisis in the West could generate dangerous temptations for the relatively less-affected Communist countries, possibly reviving their hope for the "demise of capitalism" and encouraging a more aggressive and interventionist foreign policy.

However, the dangers are not solely from the Communist world. New or dormant ambitions may be kindled in countries internally divided by economic disruption. Economic differences could precipitate a breakdown in our security relationships with Japan and Europe, leading perhaps to go-it-alone defense policies with profound consequences for regional stability. Other

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

countries may become so self-absorbed as to completely withdraw from their responsibilities for international security: Great Britain may be nearing this point already, and some believe that Italy is past it.

The time has come to face the fact that the fundamental security objectives underlying the process of détente are now linked to the world economic situation. The economic cooperation that is required will involve us most deeply with our traditional postwar allies, Western Europe and Japan, but it must also embrace a new measure of comity with the developing countries, and include the Soviet Union and other Communist nations in significant areas of international economic life. Only thus can the present precarious period of détente lead beyond uncertain balance-of-power arrangements to the worldwide sense of common economic interest that is an essential underpinning of a relatively peaceful world.

IV

The economic and financial dislocations created by last year's fourfold increase in oil prices pose the most urgent set of issues with which we must deal. The size of the price increase and the abrupt manner in which it was imposed (not to mention the use of oil as a political weapon) smacked of economic aggression. The first task of a foreign policy aimed at enhancing economic security should be to try to get an oil price rollback. Because of overproduction and decreased consumption there is some prospect for lower oil prices. We should do all we can to encourage the trend (and ensure its being "passed through" to the consumer), but as a realistic matter we must also plan our economic strategy on the assumption that high oil prices will continue.

The oil price hike is like a huge tax levied on most of the world's economies. However, it is a form of taxation without representation, for the size and expenditure of this tax is beyond the control of those who pay it or of their governments. Most of the payments made to the oil producers are remaining in Geneva, London and New York, where they are recycled back into the world economy. Nonetheless important problems remain:

—the burden of recycling the oil receipts is threatening to undermine the stability of the international banking system;

—the recycling of oil "tax" receipts is not putting funds into the hands of those who need it most.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

To these pressing issues must be added the longer-term problem of how to handle the continued acquisition of foreign exchange reserves by the oil-producing countries—an accumulation which could reach over a trillion dollars by 1980.

Today oil revenues are taking the form of short-term demand deposits in European, and increasingly American, banks, while the banks themselves must make longer-term loans for normal purposes such as capital investment, and now also to help governments meet the balance-of-payments cost of the oil price increases. The possibility of being caught in the squeeze (borrowing short and lending long) is real, particularly since no one knows how volatile the oil funds will prove to be.

Banks are also being pressed to hedge against potential exchange rate fluctuations stemming at least in part from the balance-of-payments drain of higher oil prices. This can involve extensive foreign exchange dealings of the kind that drove Franklin National and Herstatt to the wall.

The private international banking system must not be asked to take on alone this task of recycling oil receipts. Not only is it too great a burden on the system, but it also means that the recycling, the loans that are made, will be on the basis of commercial criteria when larger political and security objectives often should be controlling. Thus we find bankers understandably concerned about the credit-worthiness of countries such as Italy, when unfortunately the overriding issue is whether democracy will survive or be replaced with a far Left or rightist revolutionary regime—with profound effects on NATO and stability in the Mediterranean.

To ensure that such political and strategic requirements are met, and to calm the anxieties of the international banking community, governments must now take on the task of reapportioning credit and financial resources. Acting together with the central banks and the IMF, governments must in some fashion assume the responsibility of lender of last resort. Clearly, certain safeguards must be built-in so that private banks do not have a blank check that they can cash to save themselves from the consequences of imprudence and mismanagement. But this risk is far less significant than the risk of collapse of major financial institutions and even of governments.

Such support for the international banking system, hopefully, will be sufficient to meet the reallocation problems of the indus-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

trialized countries without the need to resort to large-scale direct government aid, although such a possibility has been the object of lively debate among policy planners in Washington throughout the summer. For the have-not nations of the Fourth World, however, a substantial governmental aid effort is required.

The poorest countries—primarily on the Indian subcontinent, in Africa, and in parts of Latin America—are suffering severely from the oil price hike. It has been estimated that the increase in the oil bill for the developing countries this year more than cancels out the aid they are receiving. The skyrocketing costs of food and fertilizer are equally large. As a result, the developing countries face a total increase in import costs this year of $15 billion, which is twice the amount of all the aid they receive.

While some of the developing countries will get by, for others —notably India, Pakistan and Bangladesh—it is not an exaggeration to characterize the situation as desperate. Just to get through this year will require an estimated $3 to $4 billion in additional aid, if the lives of nearly one billion people are not to be threatened by economic collapse and ultimately starvation. The special $3 billion oil loan facility set up last June by the IMF will be of some help, but because of the IMF's formula for lending to its 126 members, the poorest countries cannot get sufficient assistance from this source.

Additional help is needed; it can take many forms, from financial assistance to concessional sales of food, fertilizer and energy. The U.N. Secretary-General's effort to develop a special emergency fund or the IMF's Committee of 20 proposal for an IMF-World Bank joint Ministerial Committee on aid to the less-developed countries could become means to work out a package of emergency help. Moreover, the joint Ministerial Committee in particular, to be set up in October with its membership from both the developed and developing countries and strong representation by finance ministers, holds out the possibility of becoming a much needed vehicle for more long-term planning and greater support for international economic development.

Whatever the means of international cooperative action, the main need now is for the United States, the other industrialized countries, and the oil-producing countries to make a firm commitment. We have to stop waiting for the other fellow to act, and as a practical matter this means the United States must take

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the lead in proposing a specific commitment for itself. Once that decision is made, the logjam should break on other countries' contributions, and we can turn to the resolution of technical issues such as whether assistance will be in the form of debt rescheduling, food assistance, etc.

Even though American leadership is essential, the United States cannot, and should not, become the primary source of increased development assistance—which by 1980 should amount to an estimated $12 to $13 billion annually according to a World Bank study. Along with Western Europe and Japan, the oil-producing countries and the Soviet Union need to pick up their share of this responsibility. The oil-producing Arab countries in particular will soon have massive reserves and liquidity. By the end of this decade it is estimated that Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and Libya may accumulate up to $966 billion in reserves. A significant part of this should somehow be brought to bear on the plight of the Fourth World.

The vast projected increase in Arab financial reserves underscores the fact that the oil price crisis is not a one-shot affair. Even if oil prices soften, the balance-of-payments drain will go on and on. Loans and interest will pile up. The burden will be great not only in the developing countries but also on the industrialized countries which are the oil producers' largest customers. There will be a continuing challenge to handle the stresses of recycling on the banking system and the industrialized economies.

Over time there is hope that the oil producers will put their excess funds into longer-term securities and equity investments. We should welcome such investment. However, there may be real limits, political and economic, to the amount of Arab equity investment that can be absorbed in the Western industrialized countries, including the United States.

The problem is not just economic nationalism, although there is already popular concern in the United States about Arab and Japanese purchases of American industry and real estate—and it is not hard to imagine the reactions to a Saudi Arabian purchase of 25 percent of U.S. Steel along the lines of the recent Iranian investment in Krupp. There are serious policy questions, too. For example, we regard equity investment as an essentially long-term proposition, but it is not clear the Arabs view it the same way. If Arab countries bought large holdings and then pulled out from companies like General Motors or General Electric, this

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

could have a major impact not only on the companies, but on the stock market and the U.S. economy. We and others will want some measure of control to provide safeguards against these and other possible actions inimical to our overall national interest.

On the other hand, Arab governments will be concerned about the hospitality their investments are to receive. Although they are now in the process of taking over the holdings of the international oil companies in the Middle East, they clearly do not want the same thing to happen to their foreign investments. Given the benefits and potential risks for both sides, there appears to be a reasonable incentive to work out reciprocal assurances on how Arab equity investments will be handled in the industrialized world.

Thus the outline of a new pattern of cooperative effort can be envisioned. The oil-producing countries should be granted a larger role in the IMF and the World Bank, where today they have almost no executive positions. The developed countries could make commitments to protect the equity investments of the oil-producing states in their countries in return for appropriate assurances about the stability of such investments. In addition, the oil producers should put some of their reserves into the international lending institutions and engage in long-term aid to the less-developed countries (and possibly provide some short-term balance-of-payments assistance to troubled developed countries). Such a broader distribution of oil producers' revenues would also serve to reduce somewhat the volume of short-term bank deposits, ease the pressure on the banking system, and limit the size of equity investments in the developed countries.

The difficulty in arriving at such a new pattern of relationships and responsibilities cannot be overstated. There is an impressive lack of enthusiasm on the part of the oil producers toward helping their former brethren of the Third World, apart from Arab nations and a few others with whom they seek special ties. But there are a few encouraging signs, too. The World Bank is apparently finding it possible to borrow from Saudi Arabia, Kuwait and even Venezuela, and if the rate is not exactly concessional (reportedly eight percent), it is a step in the right direction.

If some such pattern of greater cooperation is to come about, American leadership is again essential. The United States has the largest single voice in the World Bank and the IMF. It is our overall support that reduces the risks to the oil producers

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who are channeling funds to the less-developed countries through loans to the World Bank. The United States is the greatest potential market for Arab equity investment, and the response of the American government in providing assurances and establishing rules for such investment is likely to set the standard for the rest of the world.

V

We must also give priority attention to the international dimensions of inflation and the threat of recession. Inflation is the most politically regressive force at work in the world today. It has been said that no country has ever had an inflation rate of more than 20 percent and continued with a democratic government. There may be no magic in this figure, just as there is little precedent for our current situation. But it is sobering to recognize that the United States is about halfway to this rate of inflation, Britain and France are approaching it, and Italy and Japan have been beyond it. Elsewhere, among semi-industrialized and developing countries, rates are usually far higher. No other phenomenon provides as firm a common denominator for all the weak and minority governments now prevalent in the non-Communist world.

Even factoring out the impact of the oil price hike, the present economic situation is essentially unprecedented. The international economy, characterized for decades, if not centuries, by boom-and-bust cycles, was brought under reasonable control after World War II. The objective of full employment was for a time achieved in most developed countries through Keynesian management. However, "stagflation"—high inflation and low growth—began to appear in the 1960s in Great Britain and elsewhere. Now we have what *The Economist* has called "slumpflation," in which there is recession or zero growth while inflation is soaring.

Unfortunately, our comprehension of the problems involved in this phenomenon has not kept up with our vocabulary in describing it. There is grave concern that no one really understands the present economic conundrum, nor knows how to deal with it.

This concern is exaggerated. The monetary and fiscal tools of economic management *can* be adequate to deal effectively with the present situation. What is needed are new, more selective

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

measures for the domestic application of these tools and a new appreciation of the need to take into account the international aspects of our economic difficulties.

It is an obvious but important fact that we are in the grip of two quite contradictory pressures. On the one hand, even the most economically powerful nations, the United States included, are now highly vulnerable to international economic developments. On the other hand, national governments are expected to deal effectively with all aspects of domestic economic conditions from unemployment to the supply of beef. The choice for governments is between trying to reduce problems to proportions they alone can manage, by seeking to insulate the domestic economy through a return to trade and monetary controls, or going on to a new and deeper level of international coordination of domestic economic policies.

One of the hopes in adopting a more flexible exchange rate system has been that it would make it possible for countries to pursue different national policies in their struggle with inflation and recession. While the system has worked well in many areas, it appears that the increased flexibility of countries to follow their own monetary and fiscal policies under the floating rate system may be seriously overrated. For example, if the policies of individual countries stray from the international norm, they may import too much inflation or suffer too much competition. Hence countries are likely to coordinate their monetary policy at least as closely with their major trading partners as they did under the fixed rate system—witness Giscard d'Estaing's recent and unprecedented pledge to conform France's policies and inflation targets to those of West Germany. This sense of interdependence significantly constrains most countries' abilities to fight inflation unilaterally, since monetary policy has become a central if not the exclusive weapon in this struggle.

Thus, although controlling inflation is preeminently a national responsibility, there is now a requirement for closer international coordination to ensure that the major countries are not working at cross purposes with one another. Several cooperative efforts can be envisioned. Adequate international funding for oil-generated balance-of-payments deficits will help avoid devaluations and the consequent boost to inflation. The balance-of-payments objectives of the major trading countries should be brought into line. Efforts to coordinate monetary policy, an clusive objective in the past,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

deserve renewed emphasis. Each country should try to assure that its domestic policies are not really exporting inflation or unemployment; all must avoid beggar-thy-neighbor reactions.

In effect, industrialized countries must coordinate their overall economic programs concerning growth, inflation and employment. The United States cannot, for example, consider unilaterally embarking on a policy of controlling inflation by two or more years of stagnant growth, oblivious to the fact that this could lead to a major recession in Europe (not to mention its impact on the American people).

We are fortunate that the American economy of all the market economies is least sensitive to international economic pressures. But we are not invulnerable, and ill-considered policies which look good in the short run can have an important adverse impact on our economy through the effects they have on others.

The United States therefore has an important stake in better international economic coordination, whether through existing institutions or through the creation of some new, more efficient international mechanisms. But even the existing institutions such as the OECD can be much more effective if we are prepared to exercise leadership, use our influence on behalf of increased international coordination, and, of course, accept the constraints that may well go with it.

VI

The handling of trade policy will have a major impact on whether we are effective in fighting inflation and holding the line against recession. In the short run, the most urgent task is to head off increasing pressures for trade restrictions. In the long run, we need to find ways to assure fair access to commodities and raw materials at prices which are stable and reasonable.

The liberal international trading system that exists today, and which has been one of the key elements in the growth of the international economy over the last two decades, is now under serious political and economic pressure. Increasing unemployment and sluggish growth in sectors of national economies are tempting governments to control imports and to subsidize exports in selected cases. At the same time, inflation or shortages in still other economic sectors encourage export controls.

With interest rates as high as they are, the utility of monetary policy alone as a tool to manage economies is approaching its

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

limit, and the use of fiscal policy is constrained in many countries by the dictates of internal social and political cohesion. There is therefore a real prospect of increasing reliance by governments on a patchwork of import and export controls to manage their national economies. The likelihood of turning to trade restrictions is, of course, increased in many countries by the balance-of-payments drain resulting from high oil prices.

An encouraging sign came from the OECD in July when the members pledged not to resort to such controls. However, without more concrete action on the underlying economic issues, the pledge may count for little. Italy slapped on import restrictions in the teeth of major Common Market obligations. While she faced a clear emergency and the import control measures are supposedly temporary, other countries may face similar emergencies. Moreover, there is doubt about how temporary these controls are, since the consequences of the oil price rise will continue indefinitely.

To contain such pressures, it is imperative to start up the long-immobilized trade negotiations. The Europeans and Japanese, once reluctant participants, are now eager to move ahead before protectionist pressures in their countries intensify to the point that negotiations become impossible. The Europeans want to begin serious bargaining this fall and fear that further delay, even to December, could entail serious risks.

This requires prompt action on the trade bill which is before the Senate. The reasons for the delay on the trade bill illustrate the pull between the issues of the past and those of the future on our response to the international economic crisis.

From the outset, the Nixon Administration pursued the strategy of linking most-favored-nation treatment for the Soviet Union, a matter more political than economic, to the broader economic purposes of the trade bill. Confronted with the issue of the right of Jews in the Soviet Union to emigrate free of harassment, President Nixon stalled, apparently hoping the problem would either go away or that the need for the other parts of the bill, combined with the threat of a veto if an emigration amendment were included, would be sufficient to get the bill he wanted. In other words, his Administration viewed the trade bill primarily as a vehicle to advance its détente objectives rather than as an essential means for dealing with the grave international economic issues that confront us. Understandably, a vast majority

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of U.S. Senators also found it appropriate to pursue what they considered valid political objectives vis-à-vis the Soviet Union by tying MFN to freer emigration.

At this writing there are encouraging signs of progress on the emigration issue, as the Executive has come to realize that the only approach is to work out a firm agreement on this subject with the Soviet Union. Such a solution would pave the way for prompt passage and an early start to the next round of trade negotiations.

A major long-term issue, which should be given priority attention at the trade negotiations, is the issue of access to commodities and raw materials. The rules of the General Agreement on Tariffs and Trade (GATT) focus on the problem of access to markets. What is also needed are rules and other arrangements providing for fair access to sources of supply at reasonable and stable prices.

The impulse to assure access to supplies is not a new form of colonialism. First, while the oil price increases are one obvious example of the kind of irresponsible price-fixing that should be brought under control, it is important to recognize that this is not solely, or even primarily, an issue between the less-developed and industrialized countries. The U.S. embargo on soybeans, the Japanese embargo on fertilizer, and widespread controls on scrap iron are all examples of steps by industrialized countries inimical to international economic stability.

Second, complicated equities are involved. Supplier countries which are also underdeveloped have an economic and moral case for an increased return on their products. Cartel pricing of oil and the efforts to build producer cartels in bauxite and copper are in part aimed at redressing what developing countries have always considered unfair terms of trade. Rightly or wrongly, they have felt that the industrialized countries set the price of their commodity exports as well as the price of their imports, and did so to the developing countries' disadvantage.

The problems the copper- and bauxite-producing countries have encountered in developing a cartel arrangement lend weight to the view that commodity cartels are difficult to achieve. However, efforts to construct such cartels have a destructive impact even if they fail; and continued inflation in the price of imported industrial goods will further stimulate efforts to raise commodity prices—if not by cartels then possibly by unilateral tax increases such as those imposed on bauxite by Jamaica.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The desire on the part of producers of raw materials to revalue their output is also based on concern over the exhaustibility of their resources. The developing countries now have a clearer appreciation of the enormity of the development task as well as little reason to believe that they can depend on anyone but themselves for the resources required. Those with finite resources are therefore particularly anxious to squeeze all they can out of them and are not likely to be very responsive to lectures on economic morality by the developed world.

Third, there may be justifiable reasons for individual countries to impose export controls in legitimate short-supply situations. However, the objective of such controls should be to allocate the short supplies equitably between the domestic economy and foreign purchasers and not solely to export inflation. Otherwise export controls can lead to retaliation, disruption in trade, and further disorder in the international economic system.

Stability in the price and supply of commodities is important if we are to deal with inflation over the long term. In comparison with other goods, most commodities were, until recently, low priced and there was thus a low rate of investment in producing them. With the surge in demand in 1972–73, production could not respond, causing shortages and large price increases. New investment in commodity production will bring the cycle down again, but this wide up-and-down swing in commodity supplies and prices is both wasteful and inflationary. It operates to the disadvantage of suppliers and consumers of commodities alike. To deal with this issue, as well as head off pressures for further cartels, means must be found for stabilizing individual commodity prices and supplies to the extent possible.

The United States bears a special responsibility and burden in this regard. We are now the major source of foodstuffs traded in world markets. Since 1971 U.S. farm exports have more than doubled and in 1973 amounted to $18 billion. The United States and Canada control a larger share of grain exports than the Middle East does of oil. The world has literally come to depend on U.S. agriculture for its well-being. At the same time, the surge in world food demand has also directly affected inflation in the United States. The temptation to resort to export controls, as we did briefly for soybeans last year, could well recur.

On the other hand, the United States also has a big stake in unfettered access to raw materials. For example, we import 100

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

percent of our chromium and tin and more than 90 percent of such important commodities as platinum and nickel. The United States thus has a particular interest in developing reasonable rules governing export controls, along with arrangements for assuring access to supplies at reasonable and stable prices. These rules must protect the domestic economy of countries from world inflation, and yet provide a responsible source of supply.

In addition to the clear need for new GATT rules on access to resources, and the urgent need to explore stabilization arrangements for specific commodities, there is the question of commodity reserves. At present the United States has large strategic reserves of several key raw materials, which might be used to help stabilize world prices more than has been the case to this point. However, if we move in this direction it should be in concert with others, and under arrangements through which other countries would share in the cost.

The creation of a world food reserve is urgent. This is a complex problem, made more difficult and pressing because American and Canadian reserves have been drawn down to perilously low levels in recent years. They should now be reconstituted, but if they are to form the bulk of a world food reserve (designed both for price stability and to meet famine situations) then others must act in parallel and the direct and indirect costs must be fairly apportioned.

Moreover, it is inconceivable that the United States could take on the task of world food supplier through a reserve system, while markets for American food exports are restricted and denied by trade barriers. The forthcoming World Food Conference can be a major forum for addressing proposals for world food reserves. At the same time the trade negotiations should give priority attention to reducing trade barriers to American foodstuffs.

VII

The task of working out suitable forms of economic cooperation on the foregoing issues will fall mainly to the industrialized market-economy countries and to a lesser extent, the developing countries. However, the actions of the Communist world can either help or hinder these efforts.

Today the Soviet Union and the other Communist countries, including China, are at least superficially insulated from the economic tides sweeping the rest of the world. But, as we saw in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the 1972 Soviet grain purchases, their erratic actions in world markets can have profound effects on international economic stability and, in particular, inflation.

The problem is how to integrate the growing volume of economic transactions with the Communist countries into the world economy. Its solution will take patience and a long-term effort. We need to find ways to deal with the issue of unfair pricing and dumping on the one hand, and massive unpredictable interventions in short-supply situations on the other. The former will be difficult because the Communists' concept of price, and of its function in their economies, is totally different from our own. The latter also will be hard, not least because the Soviet Union and other Communist countries do not perceive a problem. But a start can be made by pressing the Soviet Union to play a constructive role in alleviating the world food situation—at least to the extent of agreeing to provide the U.N. Food and Agricultural Organization (FAO) with all relevant agricultural information and not to jump into the market for large quantities of food without warning. And the Soviet Union should participate directly in whatever can be worked out for fertilizer supply and for a world food reserve.

The Soviet Union is also potentially a much greater source of economic development assistance than it is today. Total economic aid by the Soviet Union last year was only $622 million, while its military assistance was estimated at $1.7 billion. With the less-developed nations in such desperate condition, the Soviet Union should be persuaded to reorder its aid priorities.

Finally, the Soviet Union must be brought to realize that the need to exercise restraint in East-West political competition has an economic dimension as well. Soviet efforts to get the Arabs to maintain their oil cutback and embargo were just as menacing to Western security interests as Soviet military support (and apparent encouragement) for the October War. Certainly progress toward a reasonable and viable Arab-Israeli settlement is fundamental to a lasting arrangement on oil supplies and prices, and this in turn is a major economic security interest of the United States and its allies. This is an additional reason why, if the Soviet Union imposes obstacles to peace in the Middle East, it will be running grave risks of jeopardizing improved East-West relations.

We must, of course, have no illusions about the difficulty of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

moving the Soviet Union to recognize the long-run interest it has in cooperating in these areas. Soviet officials often regard the raising of legitimate trade problems as being "anti-détente." Economic aid to the less-developed world has always been regarded as a political weapon. The notion of exercising restraint is novel and controversial to Soviet leaders in regard to political issues, let alone economic interests.

Yet, the Soviet Union's hopes for basic internal improvement —hopes central to the power position of the Soviet leadership— hinge on the development of much greater economic ties with, and in effect economic assistance from, the industrialized world. Moreover, it was the Soviet Union that became in World War II the greatest victim of the chain of political and security consequences stemming from the Great Depression. If there is another worldwide depression, the Soviet Union too will suffer.[1]

Hence it should be in the Soviet interest to involve itself more responsibly in world economic cooperation. Indeed, the West is now justified in making such cooperation a central test and touchstone of détente. Western credits and peaceful non-strategic trade should be related to commitments on the part of the Communist countries to work out a reasonable code of economic behavior with the Western market-economy countries, and to participate in the new aid effort required for the developing countries.

Today, the fact that major aspects of détente—SALT, MBFR and the European Security Conference—are bogged down is raising serious questions about ultimate Soviet intentions and the durability of détente. However, we need not, indeed cannot, remain fixated on issues that divide East and West. By taking advantage of the measure of détente we now have, and by moving forward to systematically engage the Soviet Union in some of the economic problems besetting us, we can test the strength of détente and the broad intentions of the East. This also may be the only way to establish the kind of relationship that will enable us to resolve the East-West issues we still face.

[1] In a recent column, Victor Zorza comments on the Soviet attitude: "While some Soviet leaders appear to welcome the opportunity for gain with which the instability of the West may present them, others are not so sure. 'We are well aware,' says Georgi Arbatov, head of the Soviet Institute of U.S. Studies, 'that the crisis of bourgeois society may have various political results, that the crisis of the 1930s produced Roosevelt and the New Deal in the United States, and Hitler, Fascism and war in Germany.'" *The Washington Post,* July 30, 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VIII

From this examination of the specific immediate and long-term actions now required, it is possible to envision the general outlines of a system of international economic security:

—A deeper measure of coordination of national and international economic policies among the industrialized nations in Europe, North America, and Japan.

—A new role for the oil-producing countries in the management of the international economy and new responsibilities for aiding stability, growth, and in the poorest countries, economic development.

—A new relationship between the industrialized and raw material producing countries assuring more stable prices and supplies.

—A more constructive involvement of the Communist countries, particularly the Soviet Union, in world trade and the task of economic development.

Not all of these broad objectives should be pursued at the same time or with equal vigor. Some of the specific issues in the present crisis are clearly more urgent than others, and for a few problems there may not be ready answers. But the important thing is that U.S. policies be informed by a comprehensive vision of the kind of world economic system we hope to achieve.

And we must begin at once. With each passing week the economic problems we face become less susceptible to wise solutions. Progress on the urgent issues will facilitate tackling the longer range questions.

Initiatives and cooperation must come from many quarters if such a vision of worldwide economic relationships is to be realized. In particular, American leadership is indispensable. We are still the largest single economy and have the greatest impact on international trade and finance. Only if the United States plays its full part can the current trend toward economic fragmentation and disorder be turned around in the direction of a comprehensive and global effort of economic cooperation.

At present our government is poorly equipped in terms of talent and organization to handle such a role. Compared to the credentials of the Secretary of State and Secretary of Defense in the field of international security, those charged with international economic affairs are by no means the kind of strong group

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the United States put together in 1947 on a bipartisan basis and could surely assemble again.

Organizational remedies are no substitute for political commitment and capable people. But one clear need is to coordinate the diverse governmental organizations that affect international economic policy: State, Treasury, Commerce, Agriculture, the Council of Economic Advisers, the Federal Reserve, etc. The present Council on International Economic Policy has never been able to perform the task of developing coherent policies and strategies. Perhaps what is needed is something more akin to the National Security Council, with a statutory base and a strong substantive staff that can cut through the welter of conflicting interests and views to develop clear policy alternatives.

But there should be at least one major difference from the NSC system: the director of such a staff on international economic policy must be accessible to the Congress and to the public. The issues involved are too closely related to domestic policy to be shrouded from public view by the trappings of diplomatic or even presidential confidentiality. And the Congress must, as it did in 1947 and 1948, play a crucial affirmative role. For this it will need to exert greater efforts to coordinate the work of the many committees and subcommittees that have an impact on our economy. The new Budget Committee and the congressional Office of the Budget can make an important contribution in this regard by exerting more responsive and responsible control over fiscal policy.

IX

Finally, an effective international economic policy must be grounded on a sound and equitable domestic economic program. Help for the international banking system or emergency aid for the have-not nations cannot possibly command the necessary support if the new Administration turns a blind eye to six percent unemployment. President Ford has an opportunity now to explain the facts of our current economic crisis to the American people and to take and propose decisive action. There may be strong differences over the right combination of policies and how the cost of meeting our present difficulties should be apportioned, but there is also a tremendous desire in Congress and the public for firm and bold leadership.

Because international economic issues bear so directly on our

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

domestic concerns, moving toward a new system of international economic security and making it our first priority in world affairs could provide a basis for rebuilding the consensus among the American people in support of our foreign policy. The source of increasing isolationist sentiment in the United States is not some atavistic streak in the American character, but rather the fact that the ordinary American no longer sees his primary interests as being served by the current definition of American foreign policy.

If we can redefine our foreign policy and our national security to include not only the concern over strategic position and political influence but also the basic issues of inflation, economic stability, jobs and growth, and in fact make these a key concern, we will find that once again a broad consensus on our world role is possible. If such domestic needs gain a prominent place in our diplomacy, the American people will not only support efforts of international leadership, but will be willing as they have been in the past to accept short-term sacrifices in order to achieve long-range success. To meet the threat we now face to our economic security, foreign policy must truly become the extension of domestic policy by other means.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INTERNATIONAL SECURITY TODAY

By William P. Bundy

THE tendency of Americans to think of foreign policy in universal terms goes back to the beginning of the Republic. As George Kennan has pointed out most forcefully, from "no entangling alliances" to "making the world safe for democracy" to the Truman Doctrine, the argument over what to do abroad has habitually been conducted as if it concerned the acceptance or rejection of some single touchstone principle or slogan. Temperament and geography joined to form this tendency; we were a nation set apart both physically and in the perceived roots of our national identity. And history decreed that in its terms of time we should move with breathtaking speed from a nation seemingly unaffected by the wars and struggles of others to one that has seen itself, at least since 1941, deeply affected by any substantial conflict anywhere in the world.

Today, misguided universalism is one of the principal charges brought against postwar American policy, especially in universities and among younger men and women. The Truman Doctrine, distorted well beyond its language, let alone the practical actions of its authors, is seen as the root of a worldwide American posture that became, in the 1950s, a new "imperialism."[1] And in the 1960s President Kennedy's Inaugural appears as the rhetorical apogee of American activism, and the tragedy of Vietnam as its ordained culmination.

One could argue at length the substance of these views, especially the charge of "imperialism." If one insists (with the backing of history and the dictionary) that the primary meaning of empire requires an intent to control or dominate in one's own interest, then it seems to me a total distortion of anything that even John Foster Dulles, let alone John Fitzgerald Kennedy, had in mind. I incline to the recent judgment of Alastair Buchan, a discerning, and on occasion unsparing, critic of the United States:

> . . . if one examines serious American thought over the past quarter-century . . . one will find a consistent thread—going back even to the wartime years—that rejects any ambition of American dominance, in favour of a plural

[1] See John Lewis Gaddis, "Reconsiderations: The Cold War: Was the Truman Doctrine a Real Turning Point?" *Foreign Affairs*, January 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

relationship of many centres of power and responsibility, codified by a variety of multilateral agreements and subject to the constraints of international law.

To follow up this thought with the care it needs would be beyond the scope of this article.[2] What is relevant here is that one of the principal contributors to the charge of imperialism, and to its ready acceptance in many quarters, has been just this tendency of American leaders to express themselves in universal terms. The worst case and grossest miscalculation thus became symbolic instead of aberrant, and colored all else.

Ironically, the critics of universalism all too frequently fall into the very vice they condemn. Because America got into trouble in the Third World, it becomes a "plain lesson," apparently, to ignore what goes on there. And even on a more sophisticated level the theme of "intervention" has been the centerpiece of much writing and of many college courses in foreign relations, as if all choices were somehow generically alike, all starting points the same, and history and geography compressible into the vise of some single theorem.

While the searing experience of American participation in Vietnam continued, prolonging its torture year by year, it was perhaps natural for disillusioned Americans to seek the origins of the war in an oversimplified version of postwar history, and to project its lessons in terms that tended to be as universally negative as the previous policies had been thought to be unthinkingly activist. And perhaps one should even be tolerant of the urge that led the Administration in 1969 to propound the Nixon Doctrine, seeking to define American security policy in terms of universal principles of common action, chiefly that associated nations should take a larger share of the responsibility for their own defense. In hindsight, perhaps the kindest thing that can be said of that Doctrine is that it was only a smokescreen pending the development of new relationships with China and the Soviet Union. At any rate it left unanswered all the key questions of relative importance and closeness of ties even among the

[2] The Buchan quotation is from his Reith Lectures, of the fall of 1973. For a recent acute comment on the issue of American imperialism—drawing a useful distinction between "imperial" and "imperialist" behavior—see Charles Frankel's review of Raymond Aron's *The Imperial Republic: The United States and the World, 1945–1973*, in *The New York Times Book Review*, July 21, 1974, p. 2. In the longer lecture from which the present article has been adapted, delivered at the Georgetown School of Foreign Service in April 1973, I went a little further into the issue, far enough to be amply persuaded that it is complex and demanding, above all, of precision both in example and definition.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nations more or less aligned with the United States, and gave no guidance at all for such situations as the Arab-Israeli conflict. Even in East Asia, the geographical area where it most clearly applied, it was often ignored, while in the case described by its author as "its purest form"—Cambodia—the results hardly call for emulation.

If the first Nixon Administration is seen by history as a largely successful rear-guard action to limit the reaction to Vietnam and prevent it from swinging right over to an isolationist and militarily weak posture, this considerable accomplishment will surely be ascribed rather to its dealings with Peking and Moscow than to any contribution from the Nixon Doctrine. As it has wisely been allowed to fade into limbo, however, the same President was caught up beginning in 1972 in a new wave of oversold slogans and descriptions of policy, with "détente" and "a generation of peace" leading the way.

"Let us talk things, not words," Justice Holmes once wrote. The hard problems of international security have not disappeared. Indeed, more than ever, in a time when economic problems have top priority, is it necessary to be as careful and precise as possible about the claims of security on American attention and effort. Suppose, then, one were to wipe the slate clean of slogans and doctrines and even to proceed without seeking to frame at the outset some abstract formulation of American national interest. Suppose, specifically, one were to examine the regions of the world, one by one, asking for each particular region two questions: (1) In view of power realities and potential threats of international conflict, what conditions there would be most hopeful for relative peace and for national independence and development? (2) How much does it matter to the United States whether those conditions are maintained (or attained where they do not exist), and what should the American role be?

II

To think of the world in regional terms is, in fact, justified by more than the desire to get away from pernicious abstractions. In the leveled world that existed after 1945, it was inevitable that two superpowers should come into being, and their interaction remains central. But now, as the glacier of the cold war has receded both in Europe and Asia, the regions of the world have reasserted a life of their own; their resistance to outside domina-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion and influence is much greater; most are, in the true sense, nonaligned; and the number of nations entitled to rank as major powers is much larger, with some of these aspiring to dominant roles within their regions. Moreover, the Sino-Soviet hostility is now at least as important as the continuing rivalry between the United States and the Soviet Union.

Indeed, as Alastair Buchan has noted, the whole power structure of the world has changed out of all recognition in the short space of only about ten years. In the new situation, it makes sense on the face of things for American policy to handle each regional arena as separately as possible—to identify with the forces at work in each region, dealing directly with the superpower rivalry where we must, but striving to keep that rivalry, or the quarrels of any great powers outside a particular region, out of the picture to the maximum extent possible.

It turns out that there is "something old, something new, something borrowed, and something blue" in such an approach. "Old" where the superpower rivalry persists and is reflected in a major force confrontation, "new" where the rivalry has receded and should be kept that way; "borrowed" where an additional transition is briefly required; and "blue" for the toughest set of cases, where the rivalry cannot be soon disentangled and where the gravest threats to world peace exist—or at least those the United States is most in a position to affect. There remains one area little subject to American influence or action, the land frontier between the Soviet Union and China, and one cannot omit a coda on this subject.

Let us start, then, by examining three "old" areas, in which the American role remains inescapably at the core of what happens. These are: the strategic balance between the United States and the Soviet Union, the security of Europe, and the security of Northeast Asia, above all Japan and Korea. The basic analysis of the late 1940s—that it would be gravely threatening to world peace and to American security alike if the Soviet Union were ever in a position to gain effective control of the major resources of Western Europe and Japan—remains at least as valid today, when the economic power of these two great centers of civilization has multiplied beyond the furthest dreams of postwar American policy-makers. And the security of these areas depends on the maintenance of some sort of strategic balance by the United States.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Until the last five years or so, it has been possible to take that balance almost for granted. Even when the Soviet Union, after the humiliation of the Cuban missile crisis of 1962, set out to catch up completely with the United States in the latter 1960s, one could not see the basic effectivness of the American strategic nuclear posture being seriously disturbed—for it had been clear for years that each side had an ability to damage the other, even if it hit first, that went far beyond any rational use of force. This was Churchill's balance of terror raised to new peaks.

In about 1969, however, it began to be clear that the Soviet Union meant to press still further, to create a situation in which it attained what is called nuclear superiority and used the psychological impact of this achievement to overawe others. This is the situation that the United States sought to meet—with limited success, it now appears—in the SALT I negotiations, and that now has been addressed both in the SALT II discussions and in Secretary Schlesinger's challenging proposals in the current defense budget.

Obviously, it should remain the American objective to keep a situation of effective parity, and at the same time to work toward major reductions in strategic nuclear capabilities. But, especially after the Moscow experience this June, we must now face up to the distinct possibility that the present Soviet leadership, far more heavily influenced than American leaders have ever been by military voices, will not settle readily for mutual agreements that would meet these objectives. Fine if they will, but if not, what should we do? Do we pursue them wherever they go, or stand pat at a certain point, adding to our own capabilities only those elements clearly required?

I think the latter must be our basic answer. One cannot ignore psychological factors, but I am strongly attracted to the line of argument developed by General Maxwell Taylor in the April issue of *Foreign Affairs,* that if we remain competent and above all cool, the spectre of Soviet nuclear superiority becoming important additional power will turn out to be a will-of-the-wisp that has simply wasted vast Soviet resources. Refinements and continued research may be needed—all I understand Secretary Schlesinger to be now proposing—but in the last analysis the United States should refuse to be lured further in an unending strategic arms race. At some point, I believe, we must in effect say to the Soviet Union: "What you are doing is a colossal diversion

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of resources that should be employed for your people and for others. Neither we nor others will let you obtain the power advantages you apparently seek in this crude way. Moreover, we and others will take your diversion of technical capacity into account in weighing whatever economic exchanges you may propose to meet deficiencies in your people's welfare that your own policy has permitted." If it came down to just such a test of economic power versus nuclear/psychological power, I do not believe we would lose.

In advocating this course, a major consideration is that it is not, in fact, new increments of Soviet strategic nuclear power that could at any time overawe Western Europe and Japan. In the outpouring of rather esoteric writings on the present problem of European security, some writers talk as though the jeopardy of American cities were a new factor; on the contrary, it is an old story, a case of *déjà vu* if ever there was one, which in fact formed the core of de Gaulle's appeal against reliance on America more than a decade ago. To the extent that this thought could enter the European (or Japanese) bloodstream, it must have done so then; the "more" that is now in question will not make any significant difference.

However, the growth of Soviet military power in recent years has, it seems to me, had one very major effect on the continuing role of America in helping Europe and Japan maintain their security—by which one must mean not only simple independence but an atmosphere free from pressures or compulsion. Over the years, it has been axiomatic in American policy statements that in due course, and preferably sooner rather than later, the European NATO countries should assume greater responsibility for the defense of their own territories.

On the nuclear side, however, this makes even less sense today than it did a decade ago, when the United States went wrong at Nassau. Meaningless beyond a certain point in relation to American nuclear power, Soviet nuclear power nonetheless makes any such European power more than ever vulnerable, if anything an invitation to attack rather than a useful deterrent. More than ever, however unfortunate it may appear to some, strategic nuclear power cannot be truly shared.

The real question in Europe is, of course, whether the Europeans cannot do more to assure their defense on the ground. This is a tangled subject, on which any direct cut gives only the illu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sion of an answer. Obviously, as George Kennan points out in his recent article in *Foreign Policy* (and Michael Howard earlier in Britain), the idea of Europe being cowed into compliance with Soviet wishes—what is called "Finlandization"—is both an exaggerated spectre and one that, to the extent it exists, could be readily avoided if the European NATO nations put modest additional effort into their ground (and air) defenses. Equally obviously, a Europe lulled by détente and preoccupied with economic concerns is not about to make such an effort unless the threat comes to seem much greater, or unless more economical defensive military techniques come into play (here, especially in the light of the Yom Kippur War, there must be real possibilities in the field of conventional weapons alone, within this decade).[3]

The result is a conundrum I believe Americans simply have to live with. The increase in Soviet conventional forces and weapons in the European theater *is* formidable. Europe *is* more than ever dependent on the American nuclear umbrella, and the required degree of confidence in that umbrella *is* linked to substantial American forces on the ground and to continued American leadership in NATO military affairs. Of course, this does not mean that present force levels are sacrosanct—but any reductions should not be significant unless compensating Soviet force reductions could conceivably be agreed at Vienna. As for the balance-of-payments impact, of course we should have as much offset as possible for the foreign-exchange cost of our troops, but in a world where the slightest change in comparative exchange rates—or oil prices—can dwarf the impact of troop costs on the economies of America and her NATO partners, it is time to put even that aspect into proper perspective more than Congress did in the Nunn-Jackson amendment last year.

The same basic conclusions concerning the American role apply in the case of Japan and Northeast Asia generally. Japan has been through a series of shocks in the past three years, two named after President Nixon in 1971, one more recently that Japanese leaders sometimes call the "Arabushokku." Nonetheless, it is striking, especially to the visitor who experienced the moods of 1971 and 1972, how much Japan has become in the process more independent, more resilient—and much more clearly oriented away from military measures of any sort, let

[3] See "Some Military Lessons of the War," in *Strategic Survey 1973*, London: The International Institute for Strategic Studies, 1974, pp. 52–55.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

alone nuclear power, as an answer to the serious problems of her economic interdependence with the world.[4] When Mr. Fukuda slashed the budget last December to fight inflation, he lopped off a full proportion of the Japanese defense budget—and in the mood of Japan today any idea of nuclear weapons is completely to one side. I believe Japan's mood is not only inevitable—beyond our capacity to influence if we wished—but healthy for the whole structure of peace in Asia.

Rather Japan—and Korea which remains, in the Japanese term, the dagger pointed at Japan's heart—must depend for their security and continuing confidence on two conditions. One is a continued balance among the four great powers of Asia, which appears reasonably assured, barring a complete reconciliation between China and the Soviet Union. The other, now I believe more fixed than ever in the Japanese mind, is the American Security Treaty. Lately, of course, Japanese opposition to that treaty has been muted by the known Chinese acceptance, even endorsement, of it; more basically, my hunch is that even as Japanese subjective feelings toward the United States have been rudely shaken by a number of disagreeable incidents in the past four years, so the rock of objective reliance and interdependence has emerged if anything more firmly fixed.

As for Korea, it lives surrounded by the three great resident Asian powers and for that very reason dependent on the fourth, the United States. I see no serious threat to peace in Korea at the present time, though I am deeply concerned over domestic trends that seem to reflect a too-familiar Asian cycle in the embryonic stages of learning democratic self-government. But Korea remains by geography alone a dangerous place, and one where any local eruption would almost surely engage great powers directly. The insurance premium of American military assistance and 20,000–40,000 forces on the ground, which none have reason to fear, is a very modest one indeed, and one that no other country, least of all Japan, could handle.

Painful as is the present American position in the face of Park's inexcusable repression, I would not join with those who urge a deliberate reduction in American support for Korea, to show our disapproval. If repression should clearly affect the very capacity of the Republic of Korea to use military assistance,

[4] See Saburo Okita, "Natural Resource Dependency and Japanese Foreign Policy," *Foreign Affairs*, July 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that would be one thing. To go further and apply what Koreans see as pressure-by-action is quite another. The experience with Diem in Vietnam in 1963 has shown us two of the difficulties of such a course—the unpredictability of the result (that the "right" people may not be the ones encouraged to take power), and above all the deepening of American involvement that comes from having played a visible role. In the wake of the tragic assassination of Mrs. Park, one does not know what to predict in Korea. But whatever change may take place, its sources should be wholly Korean (as indeed they were in both 1960 and 1961).

In short, if one looks at the great centers of economic power in the world, which are also the great historic centers of war in the twentieth century, one sees that there *are* structures of peace in being that have worked remarkably well for 20 years or more. Call them local balances of power, cases of effective deterrence, even situations of strength, their existence is vital to any structure of world peace, and worth a great deal of effort to preserve. And, I believe, on any objective judgment the American role in these areas remains today as important as it has been at any time since World War II; one cannot imagine a structure of peace in Europe or Northeast Asia that did not involve a major American presence and ties there. Here is where American policy since 1945 has clearly worked, and with some impact on the opportunities for peaceful and constructive living of hundreds of millions of people. If it be argued that the chances of aggression in these areas are small—as they are—the response should be (1) that it is the American posture that has kept these chances low, and (2) that in an affluent atmosphere, the requirement of confidence is, if anything, more demanding—the threshold of disruptive external pressures lower—than in the earlier years when turmoil was almost taken for granted.

At the same time, neither the major NATO nations nor Japan are now in any significant sense actors on the security scene in other areas of the world. In the light of history this is a startling fact, and if history were our guide we should expect to see it change. I am inclined to think that it will not do so, that the combination of multiple dependence on other countries for the substance of economic life, basic trends away from nationalist goals, and the effect of affluence will keep Western Europe and Japan "soft" areas in terms of exerting traditional forms of power around the world. Yet this does not for a moment diminish the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

importance of maintaining security in these areas for its own sake. And in terms of its effect on world peace the result surely is mixed: one may mourn Western Europe's abdication from a responsible role especially in the Middle East (as Fritz Stern does brilliantly in a recent *Commentary*),[5] but East Asians generally would be deeply concerned if Japan ever became assertive there.

At any rate, few formulations have deserved, and had, more rapid burial than the talk of a five-power world balance of power in which President Nixon and Mr. Kissinger engaged two short years ago. It is fundamental—and was before the flash of lightning of the October War made it starkly clear—that Europe and Japan are today powers that neither threaten the independence of others nor can be expected to act effectively in the security sphere except solely, and even there modestly, in their own defense. Perhaps they are models of what all nations might become in an interdependent world.

III

From Europe and Japan—where the structure of security and the U.S. role are clearest—let us move to the polar "new" case of Africa. Egypt and North Africa apart, here the clash of great powers in the postwar world has been least, after a near-collision in the Congo in the early 1960s. More recently, the experience of the Biafra rebellion suggests not only that outside nations do well to avoid taking sides in African quarrels (as the French did to their cost), but that even humanitarian outrage may lead to misguided policy conclusions through inadequate understanding.[6] In short, it is plainly the right rule of thumb to let disputes in Africa sort themselves out and to avoid great-power involvement.

This rule may again be strained if conflict should arise between a grouping of the Black nations of the area and the white-dominated countries of the south, a possibility that may have been brought nearer by the impact of change in Portugal. In such a case, there would certainly be most uncomfortable choices of posture for many nations, the United States included. And it would be an immense test of diplomacy, ending—one must hope—in a new boost for U.N. peacekeeping.

In short, if Western Europe and Northeast Asia are cases

[5] Fritz Stern, "The End of the Postwar Era," *Commentary*, April 1974.
[6] See Jean Herskovits, "One Nigeria," *Foreign Affairs*, January 1973.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

where it is impossible to visualize lasting peace without an American role, exactly the reverse is true in Africa. There every consideration of geography, limited local power and past history converges to a clear conclusion. There the action and interaction of the great powers must and can be kept to levels that will never cause their relations one with another to be drastically affected. In such a region of dissociation, military forces of superpowers and great powers alike should not appear except in response to a Resolution of the United Nations or the clear-cut request of a responsible regional group of nations.

IV

In geography, historical association, depth of American private involvement, and at the present time in alliance ties, Latin America could hardly appear more different from Africa. Yet I would argue that in a spectrum of American involvement that runs from Europe and Northeast Asia, at one extreme, to Africa at the other, Latin America belongs not only nearer, but very near, to the African pole. From now on, its security problems should be left to Latin Americans to resolve.

There are four strong reasons for this conclusion; all have evolved rapidly in the past decade; together they warrant a complete change in the kind of thinking that led to the formation of the Organization of American states (OAS) in 1948, the disastrous Bay of Pigs expedition in 1961, and the Dominican intervention as recently as 1965. First, experience in Cuba and elsewhere has made it evident to the Soviet Union, and to Communists generally, that there is no prairie fire of wars of liberation to be lit. As Moscow must see it, support of Latin American communism is expensive and unrewarding; as Latin Americans see it, homegrown leftism varies from nation to nation, with no common pattern. Whether it is a threat or not, it calls less and less for anything resembling concerted OAS action.

Second, Latin America now has a diversity of outside nations to turn to, especially for economic ties. The resurgence of European investment and the growth of Japanese interest are economically healthy and good for easing, over time, the frustrations of excessive dependence on the colossus of the North. Less happy, but largely beyond our control for the moment, is the multiplication of arms sources for too-eager purchasers.

Third, individual Latin American nations are much stronger

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

than in the past, with Brazil in particular emerging as a major regional power potentially dominant over her neighbors. This situation may have its dangers in terms of intra-regional threats to peace, but the problem is not one on which outsiders can help.

In such a plural and self-reliant Latin America, the fourth aspect is that the United States cannot now play a useful security role even if it would. At best we can ease tensions by keeping a low profile and, I suggest, guiding our economic treatment of difficult regimes (left or right) more by the consensus of Latin American opinion and less by principles for the protection of foreign investment that have less and less abstract appeal or validity in the eyes of developing nations generally. In Chile, for example, we went far enough to be blamed, not far enough to affect the outcome. Our acceptance of Allende was right; some of our economic pin-pricks, through multilateral organizations, were ill-advised.[7]

My own conclusion (hardly original) is that it is time we wound up the OAS tie, or at least put to one side its security aspects. (We would thus be shedding at one stroke 22 of the 43 formal allies so ringingly invoked by advocates and detractors alike of the past American posture.) Let Latin Americans decide how they wish to handle threats to security there. Let all the great powers have access to Latin America freely, provided they behave themselves as judged by Latin Americans. We would find, I believe, that our cultural and trade ties both would benefit from such a security divorce between Latin America and the United States.

Left thus to itself, Latin America may not be wholly peaceful, but the chance that its problems will engage the risk of wider hostilities could drop to zero—and above all it would be a much more healthy situation for all Americans, North and South. If a capsule term were needed, one might speak of a neutralized Latin America, just as Africa has always regarded itself as neutral.

V

"Neutralized." The word is like a bell, bringing back associations with Southeast Asia, to which I turn next.

It is a slippery word, used about Southeast Asia at times as a

[7] See Paul E. Sigmund, "The 'Invisible Blockade' and the Overthrow of Allende," *Foreign Affairs*, January 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

euphemism for Chinese control (notably by the French in the mid-1960s; it is a feature of French views that they have always tended to see China as inevitably dominant throughout East Asia)—at times too it has been the label for individual agreements that were in fact temporary makeshifts, as in Laos. But as a broad description of the proper situation for Southeast Asia, it has plain validity today, and is more and more the way events and policies on all sides are moving.

Not that movement toward a wide regional association has been rapid or yet important; the high hopes some of us in government held for a while in the late 1960s, especially for the Association of Southeast Asian Nations (ASEAN), do not seem likely to be soon realized. Perhaps, in a self-reliant Southeast Asia, Indonesia may at some point pose the kind of threat to its smaller neighbors that Brazil might do in Latin America; and North Vietnam may end up in control of most of Indochina, one way or another. There is no way to assure peace in Southeast Asia, or development either—although it now seems likely that oil and other minerals will make most of the countries more prosperous than anyone supposed possible a decade or two ago. (Let the New Left economic revisionists account for the fact that important economic stakes have come into being only as the United States withdraws.)

The real point, though, is that a modus vivendi among the four great powers of Asia does exist fairly solidly with respect to Southeast Asia. For a long time to come China will have as her top priorities a potential conflict with Russia and her own internal development (not to mention the succession problem now so acute). Japan remains wholly an economic actor, and while Russian interest has grown in recent years, it remains well below a level that can be regarded as threatening.

In this situation, the United States should remove its military presence from the mainland just as rapidly as possible. One must allow a short grace period for Indochina to sort itself out: from a recent visit there I believe the greatest chance of collapse in Vietnam, by far, lies on the economic side, and that it would be tragic if an American refusal of adequate economic aid (to recover from an artificial economic situation we did so much to create for them) were to contribute to that result. But essentially we must accept that our withdrawal is irrevocable, and specifically that the continued presence of U.S. air forces in Thailand

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is both a wasting bluff vis-à-vis North Vietnam and a substantial impediment to Thai progress. Thailand does remain a crucial country, and there is a case for disbanding SEATO in favor of a limited-term American treaty of support for Thailand (which is all SEATO has really been for years). But the large American military presence in Thailand makes no sense at all that the visitor can discern, while it is wholly out of keeping with the promising move to civilian government there, and with the efforts of that government to return to the traditional, and now very sensible, Thai policy of dealing evenly with all great powers.

Offshore, our naval and air bases in the Philippines have the weight of tradition, and the negative merit that they do not seriously aggravate the local situation but are on the whole welcome and accepted. Nonetheless, once the end game in Indochina is over, the case for retaining anything substantial there seems to me much weaker. A major naval base can be useful in support of the Seventh Fleet, but certainly neither naval nor air bases are worth any significant cost either in terms of aid to the Philippines or, perhaps more serious, in terms of potential involvement in Philippine politics or internal insurgency problems. Whatever we need for strategic purposes should be available in Guam—and at first blush I am most skeptical of the case now being pressed for bases in Saipan or anywhere else in the present Micronesian Trust Territory.[8]

Southeast Asia is, then, a "borrowed" situation, which should and can move to the new and desirable status of great-power dissociation—or, if you will, strategic dissociation coupled with full economic access for all, on terms laid down by the local countries. The question today is how long the transition period must be. So far as the American posture is concerned, I hope it can be very short.

VI

An eminent advocate once had to argue before the Supreme Court an appeal that involved three crucial issues, two very strong for his side, the third weak-to-fatal. As he began his argument, Justice Holmes put his head down on his arms and closed his eyes, after saying gently: "When counsel reaches the third point in his brief, he may count on my undivided attention."

My "third point" is, of course, the Middle East and its sur-

[8] See Eugene B. Mihaly, "Tremors in the Western Pacific," *Foreign Affairs,* July 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rounding areas— South Asia and the Indian Ocean, the Persian Gulf area, the Arab countries and Israel, and the Balkans.

South Asia and the Indian Ocean, if they stood alone, would be an easy case for the "new" principle of great-power dissociation. Certainly no great power should covet India, or any part of South Asia, for its own sake. At an earlier period, the United States became for a time deeply concerned with India's security at a time when she was threatened by China; more recently, the Soviet Union has been trying to enlist India, and to take advantage of Indian territory, as part of its effort to contain and oppose China at every point around the periphery of Asia. As long as China courts Pakistan, India will be somewhat responsive to extra Soviet efforts—but a serious perceived threat from China seems unlikely again, and the India of Mrs. Gandhi, or any likely successor, will, I believe, be most unlikely to give the Soviets significant military bases or any other direct help. The whole thrust of Indian policy remains rightly opposed to this, directed toward serving India's own interests along basically nonaligned paths.

Yet the Soviet naval presence in the Indian Ocean forms a part of the Soviet efforts to exert power in the Persian Gulf and in the Horn of Africa. It is the connection with the Middle East that tends to drag South Asia into great-power rivalries—just as it was this connection that led the United States into what I regard as one of the clearest single errors in all our postwar policy, the 1954 decision to bring Pakistan into the Baghdad Pact (and SEATO as well) and to arm Pakistan extensively.

Unfortunately, whatever the United States does toward India today is darkened in Indian eyes by the memory of our posture in the 1971 Bangladesh war. There, apparently largely to keep on the good side of China during the courting period of our rapprochement with Peking, we tilted toward Pakistan and sent the *Enterprise* into the Bay of Bengal. Our policy then seems to me to have been a classic case of doing the wrong thing in a regional situation for the sake of wider relationships—exactly the reverse of the priorities I am urging in this article, and one of the prime examples against "universal" principles as a guide. It is in large part the memory of this episode that makes Indians unanimously condemn the current Administration effort to build up the remote island of Diego Garcia as a base from which naval and air transport forces could operate in case of need.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Compared to the numerous ships the Soviet Union may have in the Indian Ocean area at any time, the expansion of Diego Garcia is, even in regional terms, a modest response. With the Suez Canal opening up sometime this year—which will take most Soviet ships but not the larger American ones—I am prepared to believe the Diego Garcia development makes sense. Another factor may be that, since the experience of the Yom Kippur War has made alarmingly plain how difficult it can be for the United States to send any kind of arms or forces to the Middle East, we need even the most roundabout means of access. Ideally, as Iranians in particular are suggesting, an overall agreement for both superpowers to keep their forces out of the whole Indian Ocean area would be the most sensible solution, but that is not yet in sight. For the time being we have to live with a partial exception to the rule of a South Asia left to itself, but only at sea and I hope not for long.

The crucial problem, of course, is the Soviet offensive in the Middle East generally—an offensive aimed at effective influence in the Arab countries and with a special thrust at Iraq, an opportunistic backing of the Dhofar rebels, and political action in Somalia, Afghanistan, and elsewhere. One can understand a Soviet desire not to have hostile states to the South—and the recent trend for Iran and Turkey, for example, to put their relations with the Soviet Union on a reasonable footing is wholly understandable. Yet the attempt by the Soviet Union to take advantage of the Arab-Israeli struggle, for whatever influence it can get, and to spread its efforts all through the area remains all-too-reminiscent of classic Russian policy aims in the past, made far more critical by the dependence on Middle East oil of Europe, Japan, increasingly the United States, and—as we realize more today—a host of developing nations.

In weighing what kind of security structure could preserve peace in the Middle East, one must start with the fact of Soviet military preponderance. Turkey is protected by NATO, and Iran by its own rapidly growing, military capabilities and by a relationship with the United States so close that in the event of clear aggression the chance of the American nuclear deterrent coming into play must appear substantial; if worst came to worst, Iran would make of its northern areas a "scorched earth" to resist Soviet invasion. But in the area as a whole, it is inevitable—and merely underscored by the British withdrawal from the Gulf

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and by the difficulties the United States experienced in 1973 in bringing its power to bear—that the Soviets could prevail in any large-scale conventional confrontation in the area. It is not in the cards for the Middle East ever to become an area where peace is kept by "total engagement"—by a combination of nuclear deterrence and an effective barrier of conventional forces. With the advantage of hindsight, one can now see the whole formation of the Baghdad Pact as a mistake simply for the reason that it appeared to be aiming at such a situation, but with no real possibility of achieving it.

Similarly, if one thought even partly in the obsolete patterns of the 1950s, it could be argued that the American position in the Middle East should rest on close ties with Iran and Israel, the most powerful nations in the area militarily. The picture of Iran and Israel as American surrogates is one that haunts intelligent Arab minds; even today one has to fight it off when discussion becomes really frank in Arab countries. It is, I am sure, a profoundly false picture—belying not only the independence and self-reliance of these nations, which are not by the furthest stretch of imagination "client states," but the intent of American policymakers for many years past. We support the independence of these two key countries for their own sakes, gratified at the progress each has made in improving the lot of its people (and seeing in this the vindication of past policies that go back to 1946 and 1948), and we see in them nations that can play important roles in a regional structure of peace—but *not* for one moment at American bidding or for the sake of specifically American interests.

What, then, of a regional structure of peace? Already one can see such a structure emerging in the Persian Gulf area, disrupted only by excessive Soviet military support for Iraq and by Soviet political and subversive activities around the periphery of the Gulf. With the withdrawal of the British in 1971, many feared a vacuum there. Instead, Iran and Saudi Arabia have emerged as effective regional powers, capable of handling any but the most grave threats from the outside. *If*, and it may be a big if, these two very different nations can learn to work together, *if* both exert their power with restraint, and *if* Iran balances its relations, as it is now doing, with Pakistan and India to the south, then a stable and reasonable structure may be well along in the making.

The Arab-Israeli confrontation is, of course, far more difficult

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

—not to see the answer, but to realize it. That Egypt and Syria have now joined Saudi Arabia and Jordan in seeking measured ties to the United States is a major change for which President Nixon and Secretary Kissinger deserve great credit. It reflects once again the ingrained tendency of Arab nationalism to resist Soviet influence—not to become dependent on *any* great power—and this is one of the cornerstones for the future. But new ties with Arab states will not be permanently effective and constructive unless they are accompanied by a reasonable and just settlement of the basic issues between the Arab states, as well as the Palestinians, and Israel. If, the biggest "if" of all in the world today, that could be accomplished, then and then only would self-denial by the Soviets, the giving up of their 20-year effort to fish in troubled waters, be virtually forced on them by the stabilized force of Arab sentiment.

Moreover, as negotiations continue toward an ultimate settlement, it is not too early to seek to frame the kind of superpower situation that should be an explicit or implicit part of the ultimate structure. The Arab-Israeli conflict has been a major magnet—but *not* the only one—tending to draw the Soviet Union and the United States into direct involvement and commitments in the Middle East. The easing of that conflict would be only a partial success if the outcome brought either superpower into a position the other could regard as threatening. Specifically, the United States may have to take on substantial added commitments, to both Arab states and Israel, as part of the process of getting a settlement. I heartily concur with the argument of Nadav Safran, elsewhere in this issue, that such commitments will be worth making if they are the price of peace. But at the same time it seems to me axiomatic that as much of the burden as possible should be placed on the United Nations, and that whatever bilateral aid is furnished by the United States to one group of nations should not become the occasion for the Soviet Union redoubling its efforts with another group.

To put it differently, the United States may have to accept an interim role as the warrantor (Mr. Safran's phrase) of the agreements, and as the power with strong ties to both sides. But it should be the object of American policy to disengage from such commitments just as rapidly as possible, and in the meantime to take every possible step to make sure that the Soviet Union cannot regard them in an adversary light. For in the long run,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

although a strategic Middle East cannot ever be "neutralized" in the sense that areas more remote from the superpowers' territory and interest can be, it must at least be an area where no major power feels threatened, and where all have access for peaceful purposes. This is no small order.

Before leaving the Middle East, I must refer to one area that Americans do not usually link to that area, but that the Soviet Union does. This is the situation in the Balkans, and most particularly the question of Yugoslavia. Here I cannot improve on the analysis and prescription of John C. Campbell in last July's *Foreign Affairs*. Conceding the present dangers, especially in the period after Tito dies, he sees the long-term hope in just the terms I have been using throughout this article:

> A respectable degree of regional cohesion, combined with a tacit code of nonintervention by outside powers, is the kind of pattern that may be emerging in other areas of the world such as Southeast Asia, South Asia and the Persian Gulf. It is still a rather nebulous concept for those regions, and to envisage it for a group of nations so close to the U.S.S.R. and including members of the "Socialist Commonwealth" requires more than a little imagination. Yet it is not unimaginable that the Balkan nations may increase, inch by inch, their cohesion and their ability to act in their own behalf; that a network of peaceful economic and other relationships between them and the rest of Europe will grow up, which no one will want to destroy; and that the weight of the United States and of China in the world balance, though neither attempts to build a specific anti-Soviet grouping in the area, can have some restraining influence on Soviet decisions. For a complex border region which has never known security it may be the only way out.

As for the situation of Greece and Turkey—linked partly to the Balkans, partly to NATO, partly to the Middle East—no regional rubric would have helped the United States to guide its actions through the tragic events of this summer. American policy toward both countries has suffered from other preoccupations, and in Greece from a failure to show much greater coolness toward the colonels and all they represented. But Cyprus was and remains inherently an apple of discord, and the most one can hope is that Soviet hopes of an enduring shambles will be disappointed and the NATO flank restored. For NATO and American protection do still matter here.

VII

In going through the regions of the world and assessing what a reasonable structure of peace might be, I said earlier that a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

coda had to be reserved for the contingency of armed conflict between China and the Soviet Union. Although the influence of the United States on that situation may be small, it is extremely helpful that we now have balanced relationships with both nations and have made clear our total opposition to a conflict that would be both a disaster for mankind in itself and a breeder of deep trouble for the future however it came out. If the threat should at any time become more acute, I see a strong case for the other nations of the world, acting in concert, to apply the strongest possible deterrent measures. Economic sanctions in particular have a new meaning today; one need not be guided by their failure against Italy in the 1930s, or more recently against Rhodesia.

As for the state of the Sino-Soviet relationship short of war, their hostility has of course been a major factor tending to defuse the dangers to peace in East Asia during this transition period. Yet we need not fear that the two will ever again work together as they did in the 1950s, and if a change in either should produce an easing of tension between them, it could contribute in a different way to a world of regional security systems based on the self-denial of great powers.

VIII

I have gone on too long and still only scratched the surface of a vast subject. To the long catalogue of possible conflicts between nations, one must add the problem of terrorism by groups or individuals, to which no answer is yet in sight. And some would argue that the question of access to resources raises whole new, or very old, possibilities of military action; it is a nightmare that I cannot see coming to pass unless there is a failure of world statesmanship, including American, on a scale amounting to breakdown. Surely an equitable pattern of sharing and rewards can be brought about well short of that point.

Most of all, I have not tackled the question of reducing the appalling burden of armaments in the world today—this has been deliberate, for on the old chicken-and-egg question whether arms races are more important than tension, I am on the side of tension. If regional situations can be stabilized, then it will be possible to get nations to reduce their arms, and even the problem of multiple sources of sophisticated arms, now involving our friends more than rival Communist suppliers, could lend it-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

self to specific agreements limiting a traffic that less and less has any fragment of economic excuse.

Nor have I tried to apply my conclusion to an assessment of the conventional American force posture. Here, in a nutshell, I believe psychology vis-à-vis the Soviet Union is more important than at the outer reaches of the strategic arms issue. If we are to maintain the kind of firm posture I believe is essential in Europe and Northeast Asia alone, these needs would dictate something very close to the ground and air forces we now have. Moreover, I believe our naval forces must now be emphasized somewhat more, as part of a general posture of fire prevention—"counter-intervention" in Professor Samuel Huntington's phrase—that is, the capacity to bring small increments of military force quickly to bear at any point where Soviet or other intervention is threatened. It is a hard time for military planners; the range of contingencies is great, and should more and more embrace joint military participation with several other nations, acting at the request of the United Nations or of regional groups of nations and with the objective of stopping or at least localizing conflict where it arises.

Unfortunately the prospect of outright and enduring peace remains remote—as we have been reminded too much since President Nixon employed that rhetoric. The world is more complicated than that. The challenge to limit conflict, to permit people to get on with the business of living, is one that will not go away. I hope it is some help in meeting that challenge to suggest that from now on, as we Americans become able to think more coolly and objectively about problems of peace, we should also do so on a more precise and regionally oriented basis, pursuing many policies rather than a single over-arching one, accepting complexity as a fact of life, and adapting the American role not to any single vision of the world but to the realities of power and political attitudes in its diverse parts.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ENGAGEMENT IN THE MIDDLE EAST

By Nadav Safran

IN mid-November of last year, I concluded an article for *Foreign Affairs* on the October War and the future of the Arab-Israeli conflict by saying that a resolution of the conflict had at last become a real possibility for the parties directly concerned, and an imperative necessity for all the outsiders that have been involved in it. I added that a successful wedding of the outside powers' need to the possibilities latent in the situation required sensitivity to the fundamental concerns of the parties, imaginative diplomacy, and statesmanlike timing. In the nine months that have elapsed since I wrote those words, the United States, Europe and Japan, and up to this point the Soviet Union, have given ample evidence of their eagerness for peace. The United States in particular has taken the lead in trying to promote an Arab-Israeli settlement, and Secretary of State Kissinger has twice treated the world to breathtaking experiments in diplomacy, shuttling between half a dozen capitals to sustain two "campaigns" of negotiations of hitherto unprecedented intensity.

The campaigns have produced two disengagement accords—between Israel and Egypt, then between Israel and Syria. On the surface, these agreements seem to be utterly disproportionate to the immense effort invested in reaching them. They seem to deal essentially with temporary measures to establish an effective ceasefire and not with the tough central issues of peace, such as permanent boundaries, security provisions, the fate of the Palestinians, the future of Jerusalem. However, a closer look would show the disengagement agreements and the manner in which they were brought about to be of vital importance not only for the immediate prospects for peace between the Arabs and Israelis, but also for the entire future order of the Middle East in the context of the international political balance, and for the U.S. role in that order.

But there is a price to be paid for these achievements and prospects which the American people may not be aware of. The disengagement process in the Middle East has been accompanied by a process of engagement of American responsibility, which bids fair to increase with every important step forward toward a comprehensive settlement. At the end of the road, the United

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

States may well find out that it has extended to the Middle East the kind of commitment it assumed toward Europe after 1947. The American Congress and people have accepted the European commitment and appreciated its contribution to the welfare of the United States and the peace of the world. If they are to accept a similar commitment in the Middle East and not confuse it with other recent tragic involvements of the United States, they must be apprised of the true interests and prospects at stake there, and must be frankly informed of the real obligations they are called upon to assume in order to advance them.

II

While shuttling between Jerusalem and Damascus, the Secretary of State was criticized even by some of his admirers at home for neglecting the worldwide responsibilities of his department in order to mediate the endless haggling between Syrians and Israelis over a hill or two, the number and designation of U.N. troops, or the caliber and location of a few artillery batteries on either side of the demarcation lines. It would be wrong to view what the Secretary of State was doing and what he eventually accomplished in that narrow perspective. For, although most of Mr. Kissinger's time and effort indeed went into the elaboration of the details of disengagement, the military provisions of the Syrian-Israeli and Egyptian-Israeli agreements are in themselves the least important aspects of the whole exercise. Not only are the provisions meant to be temporary but their strictly military relevance is highly ephemeral.

Consider the terms of the Egyptian-Israeli agreement. Their principal intent is clearly to place the new Israeli defense line at the Sinai passes beyond the reach of an Egyptian antiaircraft missile umbrella, while permitting these missiles from their positions on the west bank of the Suez Canal to protect Egypt's new line east of it against massive assault by the Israeli air force. The 30 kilometers or so between the two lines held by U.N. forces, or limited forces of the parties, are mainly meant to make that arrangement possible. The U.N. troops, assuming no hitch in the periodic renewal of their mandate, provide at best a factor that complicates the decision of a potential attacker by forcing him to choose between ordering them to step aside and thus giving warning to the opponent, or driving through them and incurring a heavy onus in the eyes of world opinion. The same ideas under-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lie, *mutatis mutandis,* the Syrian-Israeli agreement, with the addition that there the vulnerability of Israeli settlements to Syrian fire is counterbalanced by the vulnerability of Quneitra and the neighboring Syrian villages, when repopulated, to Israeli fire.

No special insight is required to recognize that all these arrangements have been made with an eye mainly to the *previous* war, nor does it take military genius to realize that some relatively minor technological or tactical innovations, homegrown or imported, can nullify their effects. It is enough for the Egyptians, for example, to devise new ways of rapidly redeploying their missile arsenal on the east bank of the canal, or to acquire missiles with a longer range, in order to give their ground forces the air cover they need to reach the passes. The Israelis, for their part, need only improve their missile-evading tactics and techniques, or acquire improved air-to-surface missiles that can be fired from beyond the range of the antiaircraft defenses, in order to be in a position to bring to bear the full power of their air force against the Egyptian lines. Moreover, the Israelis could go all-out after the Egyptian missiles on the ground, as they did in the later stages of the October War, and the Egyptians could expand and improve their air force to a point that would make them less dependent on surface-to-air missiles.

For all these limitations, the fundamental point is, of course, that without an Egyptian-Israeli agreement renewed war was virtually certain, because of the untenable lines produced by the ceasefire for both the Egyptians and the Israelis. And without a Syrian-Israeli agreement, an escalation of the fighting on the Syrian front could at any time undo the Egyptian-Israeli accord and even lead to general war. With the events of the October War still so recent, there is no need of a special effort to remember that war could mean confrontation between the superpowers, a death blow to détente, a revived and intensified energy crisis, panic in Europe, greater strain between the United States and its NATO allies, and so on.

The disengagement agreements offer the best hope of forestalling these developments, for in addition to averting the explosion of a highly charged situation, they also set the stage in several subtle but crucial ways for a movement toward peace. In the first place, the agreements were the first accords concluded between Israel and Arab states since the 1949 armistice agree-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ments, which had lost all relevance by the early 1960s. Furthermore, the agreement with Egypt and to a certain extent the one with Syria were formally structured as part of the Geneva Peace Conference, which marked the first face-to-face meeting ever between representatives of Israel and Arab states around a peace table. Perhaps more important than these formal features, however, is the effect of the *experience* of reaching the accords on previous attitudes of Arabs and Israelis toward the very ideas of settlement and mediation.

Prior to the beginning of Kissinger's endeavors, both sides were prone to look upon their relationship in terms of a zero-sum game. Starting from a wide disparity in declared positions, each side tended to view movement from its own declared position toward that of its opponent as a loss for itself and gain for him, and vice versa. Consequently each side conceived of such movement as being possible only as a result of unbearable pressure. Mediation was accordingly seen essentially as the imposition of a third party's view, and was favored or rejected by one party or the other depending on its expectation regarding the mediator's decision.

The experience of the disengagement negotiations and accords cracked these mental molds that had made for rigidity, fatalism and despair. It demonstrated to each that the initial position of the opponent was not necessarily impervious to change except by force; that a middle ground between the disparate positions, one which both sides could willingly accept and deem to be advantageous, could be found; and that external mediation, intelligently pursued, need not take the form of imposition. The sight of beaming Israeli and Arab leaders celebrating the successful conclusion of negotiations that gave to each considerably less than what they had insisted was an irreducible minimum is not only pleasant to contemplate, but also bodes well for the prospects of negotiations over the very difficult issues involved in a comprehensive peace settlement. One need no longer become discouraged by the differences in the starting positions.

Another very important result of the agreements is that they began to give rise on either side to vested interests, intellectual or political, in depicting the other side's intentions and behavior in a favorable light. Throughout the years of the conflict, each side had tended to put the worst possible interpretation on everything the other side did, said, or allegedly thought. And the worst

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

views of each side were converted into self-fulfilling prophecies.

The agreements have begun to reverse the process, strangely enough because they were not universally welcomed either in Israel or on the Arab side. No negotiated accord is proof against determined bad faith, and no negotiated accord can therefore be concluded without each of the contracting parties granting a modicum of good faith to the other. The Arab-Israeli agreements are no exception, even though the United States acted as a kind of warrantor of each party before the other. The opponents of the agreements within each of the camps castigated the respective leaders who signed them for granting to the enemy in the first place, and the United States in the second place, precisely that requisite measure of good faith; and the leaders found themselves compelled to respond by justifying the enemy's, and America's, trustworthiness.

Thus was the world treated to the novel spectacle of Golda Meir and Moshe Dayan urging in the Knesset that there was no need to assume the worst about Sadat; arguing that he seemed to be genuinely desirous of peace and eager to turn his attention to the tasks of reconstructing and developing his country; and stressing that he had scrupulously observed the terms of the agreement in letter and spirit. On the other side, one could hear Sadat reassure his people that they need not worry about the possibility of Israel's sitting tight and trying to freeze the situation created by the disengagement agreement; and one could see him hopping from one Arab capital to another in an effort to allay this and other doubts and justify the "gamble" he took on the grounds that the United States and Israel had changed. Like the former negative attitude, the new positive outlook of both sides can be mutually reinforcing, as was illustrated when the Egyptian forces deployed unauthorized artillery units on the east side of the canal at a time when the fighting on the Syrian front seemed to be escalating. The Egyptian government quietly pulled them back, while denying the incident ever happened in order to preserve its trustworthy image; and the Israeli government reciprocated by underplaying the significance of the event at the time it occurred and completely ignoring it thereafter.

III

Besides defusing an explosive situation, starting off a process of negotiation for the first time in 25 years, setting up hopeful

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

precedents for compromise, and beginning to generate mutual trust between the antagonists, the disengagement agreements involved a substantial modification of past patterns of inter-Arab politics. This has a crucial bearing on the prospects for an Arab-Israeli settlement.

One of the factors that had made the Arab-Israeli conflict so intractable over the past quarter-century was the intricacies of inter-Arab politics, particularly relating to pan-Arabism. As an ideal, focusing on the affinity among the Arab peoples and seeking to give that affinity a meaningful practical expression, pan-Arabism has commanded general Arab support. However, the nature of that expression, the manner in which it should be pursued, and the appropriate leadership for it have been the subject of sharp, sometimes violent strife; this conflict has spilled over onto other issues of central concern to the Arab peoples, most notably their countries' internal sociopolitical systems, relations with the big powers, and the conflict with Israel. With respect to the last question, the effect of inter-Arab rivalry and strife was to establish a pattern of mutual outbidding in extremism, which deterred any Arab state or regime whose interests might have been served by a settlement and toleration of Israel, or even a temporary quiescence, from pursuing such courses.

Examples of this pattern are writ over the entire history of the Arab-Israeli conflict. Three might suffice to illustrate it. Very early in the story, King Abdullah of Jordan sought to conclude a separate peace with Israel in order to consolidate the gains he made in the 1948 War and take his Greater Syria scheme one step forward; but King Farouk's government rallied the other Arab countries in opposing Abdullah's design and forced him to desist. In 1964–65, President Nasser, having been preoccupied for several years with the formation of the United Arab Republic, a conflict with Qassem's Iraq, the secession of Syria, an experiment in cooperation with the United States, and the Yemen War, was finding it useful to maintain quiescent relations with Israel. This led his disparate Syrian, Jordanian and Saudi enemies of the time to mount a constant propaganda campaign against him—taunting him for giving up the struggle, hiding behind the United Nations Emergency Force, allowing Israeli navigation through the Straits of Tiran, and remaining passive in the face of Israel's diversion of part of the Jordan River waters for irrigation schemes. These attacks contributed in large measure to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nasser's precipitate behavior in May 1967.

Immediately after the 1967 War, Egypt was prepared to go along with a formula for settlement worked out by Secretary of State Rusk and Foreign Minister Gromyko, which envisaged the termination of belligerence in exchange for Israel's withdrawal. However, a sharp protest by Algeria, behind which the other Arab states rallied, deterred Egypt and frustrated the entire project. The same outbidding operated in the Arab summit at Khartoum in August 1967, to produce the three famous "No's," (no negotiation, no recognition, no peace) which undercut the real chances of a general settlement that existed at the time and which led to the "war of attrition" and its sequels.

The disengagement agreements finally broke through this nefarious process and, for once, allowed the more moderate approach in the existing configuration of Arab forces to prevail. True, the objective and subjective circumstances were highly favorable: the October War had brought neither victory nor defeat to either side; the antagonisms among the Arab countries had been greatly reduced before the war as a result of a complex interplay of forces, including the 1967 War, the decline of ideological fervor among the various regimes, the accidents of Syrian politics, and the death of Nasser. Sadat's weak standing in the Arab world in comparison with his predecessor, ironically, made it easier for him to forge an all-Arab war coalition that transcended all previous divisions. Last but not least was Sadat's forbearance, his decision not to use the greatly enhanced position of the Arabs in the wake of the October War for further confrontation and war (as some of his advisers were urging him to do), but instead to avail himself of that position in order to seek a settlement.

All of this, however, does not detract from the accomplishment of the Secretary of State. During the October War he pursued a policy which was carefully calculated to bring about a "negotiating situation" and to gain for the United States the trust of Arabs as well as Israelis. The importance of this is evident when it is recalled that comparably favorable circumstances had existed at more than one juncture in the past, particularly after the 1970 ceasefire, but these were allowed to slip by, and what efforts there were to take advantage of them were badly conceived.

Not only did the disengagement agreements stop the mutual

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

outbidding in extremism, but, in a certain sense, they set in motion a reverse process. Sadat took the first step forward at considerable risk of finding himself berated as a deserter of the Arab cause abroad and the Nasserite heritage at home, and criticized as a dupe of the United States. Once he did so, however, his act put heavy pressure on Syria to follow suit, or risk finding itself confronting Israel alone, or with the inadequate help of the Iraqis and the Libyans. For Sadat had deliberately spoken ambivalently on the issue: while affirming that if matters came to a general war between Syria and Israel he would not keep out, he also indicated that he was not prepared to let Egypt's fate be decided by others. While he sought with the first kind of statement to discourage Israel from courting the failure of the Syrian talks in the hope of then confronting Syria alone, with the second position he wanted to discourage the Syrians from deliberately doing the same in the hope of dragging Egypt into renewed fighting. The same process can be seen at work now with respect to the Palestinian resistance, albeit in a somewhat more complicated way due to the circumstances under which it functions.

Once Syria joined Egypt in the movement toward settlement, the Palestine Liberation Organization (PLO) has been confronted with the necessity to redefine its objective and strategy. The question is whether to continue the armed struggle for the realization of the ideal of "liberating" all of Palestine at the almost certain risk of being isolated from all the Arab countries around Israel, or whether to try to jump on the bandwagon of settlement and seek to establish a state in parts of Palestine occupied by Israel in the 1967 War. The deliberations of the Palestinian National Council, which met in Cairo in June 1974 to deal with the issue, suggest that the majority did not press its views to a clear decision that would have unnecessarily split the ranks of the organization. Nevertheless, the resolution actually adopted—to establish "national authority" in any part of "liberated" Palestine—seems to clear the way for the leadership to explore the possibilities of the more restricted goal with the powers concerned.

A particularly interesting feature of the disengagement agreements is that they involved the transcendence of the previous patterns of inter-Arab antagonisms and alignments and the formation of a novel combination pregnant with crucial new possibilities. Over the years of inter-Arab strife, there have been

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

many combinations and recombinations of countries under various slogans and for various purposes. There has been throughout a basic division between so-called "conservative" and "radical" states; however, the composition of each changed continually as the conservative camp periodically lost members in the wake of military coups, and as the radical camp split, recombined, and split again into groups that fought each other no less vehemently than they fought the conservative grouping. Never in all this constant alternation of patterns, however, was there an alignment that significantly bound together Egypt, Syria and Saudi Arabia, with the blessing of Algeria, as the disengagement agreements effectively did.

To realize the importance of this alignment it should be remembered that Saudi Arabia had been for 15 years the uncontested leader and mainstay of the conservative camp, while Egypt, Syria and Algeria have shared and disputed the leading role in the radical camp. Their getting together is all the more important, and more likely to endure, because it is based on newly found common interests which have been strong enough to overcome their bitter past antagonisms. These interests have to do with the political stability of the regimes or their territorial integrity, as well as the national security and future welfare of all four countries.

The detailed steps and interaction of policies and personalities that produced the new alignment need not be examined in any detail. To point out only its highlights, the process began with the formation of a Cairo-Riyad political axis and a Cairo-Damascus military axis; this was followed in the wake of the October War by a period of strain between Egypt and Syria which threatened for a time to throw relations between these two countries back to the previous pattern of rivalry and to undermine even the Saudi-Egyptian axis; in the end it was the conclusion of the Israeli-Syrian disengagement agreement that averted these possibilities, eased the strains between Egypt and Syria, and thus consolidated the new alignment. In any event, the consequences of this new alignment are now crucial.

First, the new combination has brought together the Arab countries with the most military and political clout in an active pursuit of a settlement, and has effectively isolated Iraq and Libya, the two remaining recalcitrants. The majority of the PLO, as we have seen, has also been preparing to walk the settlement

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

road. The fact that all the countries around Israel are included in the new grouping makes it particularly significant.

Second, the grouping brings together countries with an immense surplus of liquid wealth and others with a severe dearth of capital; it is certain to entail a vast flow of assistance funds and investments from the former to the latter for reasons of self-interest as well as solidarity. This should enhance the chances of a viable peace by adding to the negative interest of the have-not countries in a settlement—that war has proved to be onerous and inconclusive—a positive interest in undreamed-of prospects of development and prosperity.

Third, the fact that the once-radical members of the alignment have cooperated with the United States in reaching the disengagement agreements and are bound to go on working closely with it in the search for a final settlement has made it possible for the conservative members to be much more forthcoming in expressing and developing their traditional close relationship with the United States. Thus, no sooner was the Syrian-Israeli agreement ratified than Saudi Arabia's Emir Fahd came to Washington and quickly concluded far-reaching agreements for military, economic, scientific, technological and cultural cooperation. In the absence of a reversal toward confrontation and war, these will prove to be only a beginning and will in all likelihood be followed by other agreements with Saudi Arabia as well as other oil-rich countries.

Finally, the same fact of rapprochement with the United States on the part of radical Arab countries, coupled with the expected flow of economic assistance to them on a large scale from the United States and the conservative countries, bids fair to erode the conservative-radical dichotomy entirely, and to place the United States in a position of trust and influence in much of the Arab world. For, of the criteria that separated conservative from radical countries in the past, the only one that was valid without exception was that the radical states were hostile to the United States, while the conservative ones were friendly toward it. Coming a mere six months after the United States was the object of active odium on the part of all but two or three Arab countries, the reversal in the American position, engineered through the disengagement agreements and dramatically brought to the consciousness of the Arab masses through President Nixon's visit to the region, is portentous.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IV

One of the most disquieting prospects raised by the October War was that of the Middle East falling under almost exclusive Soviet predominance. The opportunistic decision of the Soviets to give Egypt and Syria massive logistic support when it became apparent that they were doing much better than expected militarily, the successful Soviet pressure for a ceasefire when the tide of the war turned against the two Arab countries, and the bold threat to intervene directly in order to check Israel's exploitation of an advantageous position on the battlefield bid fair to far more than recoup for the Soviets the position they had lost when President Sadat expelled Soviet advisers from Egypt the year before. Since all the Arab countries were lined up behind Egypt and Syria, and since countries traditionally friendly to the United States had joined countries traditionally hostile to it in imposing sanctions against it, the Soviets' moves placed them in effect in the role of a shield and buttress of an all-Arab coalition hostile to the United States. With an entrenched position in four or five "radical" countries and with influence radiating through them to the other Arab countries, the Russians seemed in a position to reduce the American position in the Middle East to one or two footholds, in Israel and perhaps Iran.

The consequences of this would have gone far beyond the obvious blow to American prestige and interests in the region and would have endangered the peace of the world and the stability of the international order. For, clearly, such a polarization would have been merely a prelude to intensified confrontation between the two sides. With its newly gained predominance at stake, the Soviet Union would hardly have been able to keep out of a new war if it were to take a bad turn for the Arabs; and if the Soviets were to intervene, or if the war were to turn out badly for Israel and endanger its existence and the last American foothold in the area, the United States would have been unable to keep out. Needless to say, détente and all its attendant hopes would have fallen by the way early in the process.

Even if such cataclysmic developments did not come to pass, the direct or proxy influence that the Soviet Union would have had, in that scenario, on the flow of Middle East oil would have put Western Europe to ransom, possibly even forcing it to abandon the alliance with the United States and adhere to a Finnish-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

type neutrality. That the West European countries are susceptible to this kind of blackmail is suggested by their attitude and behavior during and immediately after the October War. During the war, they demonstrably dissociated themselves from the U.S. effort to assist Israel, in complete forgetfulness of the Soviet actions that had triggered the American reactions. After the war, they not only suppressed whatever sympathy or scruples they may have had toward Israel and hurried to subscribe to political formulations demanded by the Arabs, but they also blamed the United States for their plight and scrambled to make whatever bilateral or multilateral deals they could with the Arab states. At the same time they advanced their distance from the United States as an argument for being accorded favorable consideration. Of course, the Europeans justify their behavior by pointing out that their very livelihood depends on Middle East oil; but the greater the consideration one gives to this argument, the greater the degree of likelihood one must accord to their succumbing to the kind of Soviet pressure being discussed.

The actual situation now is the exact opposite of the one that loomed last October. Nine months after the war, the likelihood, in part already realized, is of an America deeply entrenched in several Middle Eastern countries on both sides of the Arab-Israeli lines, in both Arab camps as well as in Iran, and radiating influence through the rest of the area, while the Soviet Union retains a few residual footholds. The elements that made this revolution possible go much farther and deeper than the disengagement agreements. They include strong shared interests with the United States on the part of conservative Arab countries, beneath their expressed resentment of American policy toward Israel; strong resentment on the part of radical Arab countries toward the Soviet Union, beneath their cooperation with it; fears on the part of both radical and conservative Arab countries about the costs and outcome of continuing confrontation and war; and hopes on the part of the Arabs that American behavior in the last stage of the October War, which saved them from the humiliation of another defeat, portended a favorable change in American policy. The disengagement agreements made successful use of these elements in order to consummate the revolution.

The implications of an eventual American predominance in the Middle East are as far-reaching as those that would have followed a Soviet predominance—only in the opposite sense. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

prospect of Soviet ascendancy presupposed a united Arab front against the United States and continued Arab-Israeli confrontation and preparation for war; whereas the prospect of American ascendancy depends on U.S. assistance in achieving peace, and on U.S. maintenance of good relations with Israel as well as the Arab states, conservative as well as radical. Moreover, success in achieving peace—the condition for American predominance—depends on the United States' securing a measure of cooperation on the part of the Soviet Union, which could otherwise find many ways to obstruct it; whereas Soviet backing of a united Arab front against the United States and Israel—the condition for Soviet predominance—would be *ipso facto* confrontation. Thus, the prospect of American ascendancy is compatible with advancing détente, whereas Soviet ascendancy could be advanced only to its detriment.

Regarding American-European relations, the prospect of American ascendancy based on successful American mediation of peace should put to rest the anxieties of West European countries about disruption of their oil supply as a result of Middle East confrontation and war, or Soviet manipulation of that supply from a position of predominance. This should obviate the need for these countries to distort their relations with Israel, and to dissociate themselves actively from the United States in order to curry Arab favor. To that extent, an important source of strain on intra-NATO relations would be removed, and talks on European security and mutual and balanced force reductions, which had suffered from that strain, could proceed more smoothly.

There will remain the problem of Europe's financing the deficits arising from rocketing oil prices, which could complicate existing monetary problems if the United States were to use its preeminent position in order to score undue advantage over the Europeans in trade with Middle Eastern countries. However, this need not happen if the European countries should adjust their perceptions and seek to cooperate with America in meeting the problem, rather than go it alone in competition with her, as they were recently tempted to do. Such cooperation already can be pursued within a framework of negotiation rather than confrontation with the oil-producing countries thanks to the emerging American position. It also happens to offer the best, perhaps the only, chance for bringing about a gradual reduction in the price of oil.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

V

In view of the dangers averted by the disengagement agreements and the bright prospects they opened up for the area and for the United States, there can be no doubt that the time and effort invested by Secretary Kissinger in making them possible were extremely worthwhile. No other area of American foreign policy required more urgent attention, and none was as pregnant with potential dangers and rewards. It should be clear, however, that the time and effort of the Secretary of State were not the only investments made by the United States in the situation. Whatever may have been his expectations or intentions when he began his efforts to separate the forces of Egypt and Israel as a prelude to negotiations, by the time he was through with the Syrian-Israeli disengagement accord, he had engaged the United States in the future of the Middle East more immediately and intimately than ever before. The commitments involved may not be apparent at first sight; therefore it might be useful to review them before considering their significance for the United States.

Perhaps a good way to understand the nature and scope of the American engagment is to look in a summary way at the process by which the disengagement agreements were achieved. The foundation for the agreements had actually been laid before the *Independence II* set wheels in the area, through four deliberate, crucial acts executed by Washington during the October War. The first was the massive resupply operation to help Israel, following the Soviet resupplying of the Arabs; the second was the decision to request $2.2 billion in emergency assistance to Israel; the third was the decision to join the Soviet Union in imposing a ceasefire when the tide of the war seemed to have turned decisively against the Arabs; and the fourth was the United States' forcing of Israel to open a supply line to the beleaguered Egyptian III Corps. Some people in the American foreign policy establishment immediately dubbed this series of decisions "even-handedness" and thereby entirely missed the point.

That point was not to set the United States up as some sort of Olympian power dispensing stern justice to unruly Arabs and Israelis, but to try to set up a "negotiating situation" through the commitment of American power in a way that conveyed certain relevant messages. The decisions were intended to convey to Israel, *in sight of the Arabs,* that the United States was willing and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

able to go a long way to ensure its security, but that it did not believe that a viable solution to the conflict could be achieved through the sheer imposition of Israeli will on the Arabs by military force. At the same time, these were meant to convey to the Arabs, *in sight of Israel,* that they could not accomplish their proclaimed aims by force either, while equally the United States was not interested in their humiliation and defeat. A fifth decision, the worldwide alert of American forces, was meant to neutralize Soviet interference with the communication of these messages.

These decisions forcefully structured a situation that helped make the option of continuing confrontation and war highly unattractive to the parties, and the option of negotiation more promising than it had been before. The acceptance of Secretary Kissinger by the two parties in the fortunately vague role of intermediary-moderator-mediator signified an acceptance on their part of the "reality" he had helped engineer, and allowed him to reformulate his approach in more positive terms. He stated to both parties, with a shift in stress but with no apologies, the conviction of the United States that a settlement required that Israel be confident of its own security and that the Arabs be confident that their legitimate aspirations would be respected. With the weight of the recent actions by the United States behind this proposition, he plunged into his task.

In the course of the negotiations, Secretary Kissinger exerted no pressure on the parties other than that of reason. The real pressures were implicit in the situation he had helped to shape, in the form of the dangers and costs that Egypt and Israel faced if the talks failed and war were resumed. In the Syrian situation, the structural pressure that Kissinger exploited was the fear on the part of Israel that failure might undo the agreement with Egypt, and on the part of Syria that it might leave Damascus alone to confront Israel.

The Secretary was also careful throughout the negotiations not to take a firm, formal position on any issue under discussion, in order to avoid the role of arbitrator when the parties were not committed in advance to accept his judgment. Such a role would have brought about the end of negotiations the moment one of the parties refused to go along with a position of his, and would have put the United States under the obligation to side actively with the party that had agreed with it or to risk losing credibility and usefulness. This was precisely the kind of predicament into

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which former Secretary of State Rogers had allowed the United States to be driven when he proclaimed the specific plan that came to be associated with his name. Secretary Kissinger rather allowed the negotiations to take their course, and only when these had brought the positions of the parties so close together that an intervention was virtually certain to close the remaining gap did he present "American proposals," which in fact were always accepted.

However salutary for the negotiations, this procedure nevertheless involved responsibility on the part of the United States for the proposals he formulated. One need only recall the example of the standstill ceasefire proposal of the summer of 1970, presented by the United States and agreed to by Egypt and Israel. The subsequent violation of the standstill provisions by Egypt gave rise to American-Israeli acrimony as well as worsened American-Egyptian feelings and resulted in the United States' feeling obligated to provide Israel with extra arms as "compensation" for the disadvantage it incurred as a result of Egypt's action.

In any case, in the recent negotiations this procedure did not always suffice—a further degree of American participation was sometimes required. On several occasions the parties were substantially in agreement regarding issues under discussion, but one side or the other, for a variety of reasons, refused to have the agreement put down in writing. Such was the case, for example, with the question of a written commitment to rebuild the Suez Canal cities and to allow Israeli cargo to go through the canal when reopened—which Israel demanded and Egypt refused to give—and the question of a written commitment that further Israeli withdrawals from Sinai would follow, which Egypt demanded and Israel refused. The same was the case with the question of fortifying the hills overlooking Quneitra, which the Syrians wanted explicitly prohibited while Israel demurred. In all such instances, the Secretary of State received oral or written assurances from one side on the issue involved, on the strength of which he issued his own written assurances to the other. These assurances were expressions of the American "understanding" of the situation rather than guarantees of compliance; nevertheless, their violation was clearly bound to make the United States something of an "aggrieved" party alongside the local victim.

With what consequences? It is hard to predict, since much will

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

depend on the gravity of the issue and the context in which the violation takes place. This much is clear, however: the greater the involvement of the United States, in whatever form, in the specific details of the situation, the less will be its freedom to act, or abstain from action, in future contingencies.

In at least one known instance, even this device was not deemed sufficient by Israel: that was the case of the commitment it sought from Syria to prevent guerrilla incursions from Syrian territory. In order to overcome the stalemate that developed, Secretary Kissinger openly and formally committed the United States to give Israel political support if it took action to protect itself against such acts. In addition, there have been various hints that the United States promised to help Israel guard its borders by providing it with sophisticated anti-guerrilla-warfare equipment as part of a larger military commitment.

In order to "encourage Israel to persevere in the negotiations, assured of its own strength and of American support," and in order, more specifically, to induce Israel to take the symbolically crucial step of pulling back from the 1967 line with Syria, Washington promised to try to place American military assistance and the supply of arms to Israel on a long-term basis. Should Secretary Kissinger succeed in this endeavor—which will depend, of course, on the willingness of Congress to overcome its traditional reticence to approve aid commitments on other than a yearly basis—he will have committed the United States to the nearest thing to a formal alliance with Israel. But even if Congress should refuse to break its tradition, a long-term commitment by the Executive alone, contingent upon approval of its annual installments by Congress, is likely, in the particular case of Israel, to have practically the same effect if Congress does in fact grant the installments for a few years.

In addition to these obligations and involvements, the United States assumed in the course of the disengagement negotiations various commitments which, while not part of the agreements, were meant to facilitate them and prepare the ground for further movement toward a settlement. One of these was the promise of American help in clearing the Suez Canal, already fulfilled. Another was a promise of economic aid, already submitted for approval to Congress, involving as a start $250 million for Egypt, $207 million for Jordan, $100 million potentially for Syria, in addition to $350 million for Israel. A third commitment was a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

promise of a much more comprehensive program of cooperation on a bilateral basis, which began with a specific American-Saudi agreement signed in Washington, and proceeded with an American-Egyptian agreement in principle concluded in the course of President Nixon's visit to Egypt. A striking item in the latter was the U.S. commitment to provide Egypt with a 600-megawatt nuclear reactor and fuel to operate it for peaceful uses, as well as a matching commitment to Israel.

VI

Two crucial features stand out from the previous review. The first is that it was American intervention of different sorts and at different times that made the disengagement negotiations possible and ensured their success. American action in the form of the series of tough decisions vis-à-vis the Arabs, Israel, and the Soviets created the situation that made war undesirable and peace a realistic, promising option for all parties. The further decisions to support Israel's defense on a long-term basis and to engage in comprehensive aid and cooperation programs with the Arab countries helped maintain that framework and encourage the two sides to adopt more flexible positions. In addition, American contributions in the form of mediated assurances, proposals, and specific promises regarding particular issues were necessary in order to overcome obstacles and break deadlocks.

The second important feature is that American commitments have tended to snowball as the negotiations advanced from area to area and issue to issue. Generally speaking, the Syrian-Israeli agreement required more specific and weighty commitments than the Egyptian-Israeli agreement; and the conclusion of the Syrian-Israeli agreement in turn activated a series of aid commitments to Egypt that had been contingent upon it, and to Israel in order to balance those to Egypt. Underlying that tendency for accumulating American obligations is the same motivation that has impelled the Arabs and the Israelis forward: the urge to secure the gains already achieved, and the fear of the consequences of failure.

As we look ahead to the future with these features and rationale in mind, it seems certain that additional and increasingly weighty American commitments will have to be made in the course of the next rounds of negotiations. For one thing, the issues ahead—including the boundaries between Israel and three of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

its neighbors, security, Jerusalem, the Palestinians—are much more difficult than those involved in the disengagement agreements and will require more American interventions of a serious nature in order to alter the configurations making for deadlock. For another thing, there is already a great deal at stake that needs to be protected against a process of unraveling that would begin with the first major failure—and there are many potential sources of failure that need to be guarded against by enhancing the interest of all in peace. Above all, however, the United States will have to undertake more commitments because the commitments it has already undertaken have made it practically a party to the separation agreements, and their breakdown is therefore bound to involve America in the ensuing conflict more directly and with less discretion than ever before.

All this seems to bear an ominous resemblance to the recent tragedy of escalating American commitments in Vietnam. This is probably the reason why the Secretary of State has gone out of his way to assure Congress and the American people that the United States has concluded no secret agreement with any of the parties, and to underplay the significance and scope of the obligations already assumed. But the analogy with Vietnam is extremely tenuous and the defensiveness of the Administration is both unjustified and potentially damaging to its credibility and future ability to deal with the Middle East problem. In Vietnam, the escalation of the American involvement only expanded and deepened the war, whereas the commitments assumed and to be expected in the Middle East are directed to averting war. In Vietnam, the American interest was never clear and convincing, and the ostensible aim of the war seemed to expand or shrink in accordance with the means committed; in the Middle East the interests at stake are monumental, if properly understood, and justify commitments comparable to those that have ensured the peace in Europe and the global order since World War II. Consequently, the Administration would be better advised to stress those interests, instead of minimizing the commitments that would serve them. American wealth and power and American intelligence and idealism have seldom had a worthier object.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NUCLEAR REACTORS: AMERICA MUST ACT

By Adlai E. Stevenson III

IN 1954 the United States began, innocently enough, to share its nuclear resources with the world. Since the start of the Atoms for Peace program we have supplied nuclear technology and materials to 29 countries in an effort to extend the benefits of peaceful atomic power to all mankind. In the intervening years, other nations have developed their own nuclear capabilities, or have received assistance from U.S. licensees in other countries, such as France, or through sharing arrangements such as Euratom and the International Atomic Energy Agency (IAEA). All told today, over 500 nuclear reactors are in operation in 45 countries. By 1985, the number of operating power reactors throughout the world is expected to quadruple.

The implications for world peace and stability are momentous. Atoms intended for peace can also be used for war. A nation with a functioning nuclear reactor and a reprocessing facility can produce plutonium for the manufacture of explosive devices. Small reprocessing plants for weapons-grade plutonium can be built fairly quickly, at moderate expense, and are difficult to detect. The weapons technology is readily available, and once plutonium is acquired nuclear arms can be fabricated with relative ease. According to some estimates, by 1980 the world's nuclear reactors will have produced 300,000 to 450,000 kilograms of plutonium. As little as five or six kilograms is required to make a bomb with a destructive force of 10 to 20 kilotons of TNT, which was the size of the two bombs that devastated Nagasaki and Hiroshima.

The nuclear club, which recently counted only the United States, the Soviet Union, Great Britain, France and China among its members, is already losing its exclusivity. The recent Indian explosion, despite its "peaceful" label, has set its doors ajar. Argentina, Belgium, Canada, Italy, South Africa, Spain and West Germany are either near, or perhaps, like Israel, already inside. Australia, Austria, Brazil, Czechoslovakia, East Germany, Iran, Japan, Norway, Pakistan, Sweden, Switzerland and Taiwan have it within their technological means to enter the club in the near future.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

II

The further spread of nuclear reactors seems inevitable and could be desirable. The world's energy demands will intensify; fossil fuel resources are depleting. Particularly in the last year, oil costs are adding billions to balance-of-payments deficits and causing widespread shortages. Nuclear power offers a source of energy, independent of foreign oil supplies. For countries like India, oil imports consume foreign-exchange earnings needed for such essential imports as food. Understandably, nations seeking reliable alternatives to expensive oil see nuclear power as the answer.

They are aided and abetted by the nuclear-exporting states, which are scrambling to pay their own oil bills. Salesmen from Canada, West Germany, the United Kingdom, France and the United States are busy making their rounds. The competition is intense. Businessmen see the opportunities and seek new markets. Westinghouse and General Electric reactors know no national boundaries. Through a French venture, Westinghouse reactors find their way to Iran and wherever else the French can make a sale.

The momentum becomes self-generating. Chastened by the oil embargo, nations realize that possession of nuclear reactors without control over nuclear fuel gives only illusory energy independence. Independent and diversified sources of nuclear fuel are, therefore, sought.

At present the dominant reactor type in the world market remains the American light-water design, fueled by enriched uranium—of which the United States is almost the sole present source. As a result of rapid growth in demand, the U.S. Atomic Energy Commission may no longer have the capacity for long-term supply commitments to all customers; when contracts were entered into to supply the newly promised 600-megawatt reactors to Egypt and Israel last June (not to be completed till the mid-1980s) new contracts for traditional European customers had to be delayed. Partly because of foreseeable limitations of American supply and partly to get away from the cost and political strain of dependence on the United States, efforts to produce enriched uranium elsewhere are going forward rapidly. Already, two European consortia, Eurodif and Urenco, are starting construction of factories to supply Europe's enriched uranium re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quirements and to compete with U.S. (and Soviet) output. Thus, competition to sell reactors expands to include competition to sell fuel.

The same striving for independence has contributed to the growing popularity of heavy-water reactor designs, notably the Canadian Candu, which rely on relatively abundant and widely dispersed natural uranium for fuel. One reason India took the heavy-water reactor route may have been to free itself from dependence on foreign fuel suppliers.

The spread of nuclear reactors has thus taken on a wholly new dimension.We face a new era in nuclear power, totally different from the situation as recently as ten years ago. As nuclear power spreads, the danger that nuclear weapons too will spread and come into new hands has grown and intensified as well.

The risks of accident and theft—already significant even within the United States—will inevitably be heightened. While accidents do not usually have international consequences (the local damage may be enough to worry about!), theft or diversion into private hands is both a national and an international problem. The wide publicity this danger has received is not, I am convinced, overdrawn. Determined terrorist groups or criminal elements with access to nuclear materials would have unlimited capacity for blackmail. Primitive delivery systems would suffice. Under certain circumstances, plutonium could be used as a poison, as well as for nuclear explosives.

Against the risk of private diversion, existing control systems in the major nuclear nations, including the United States, are not adequate. What, then, could the risk become in nations that lack our technological and security resources and experience?

Location of nuclear reactors in politically unstable nations adds another dimension. Their control can shift radically as governments change hands. The ability to pinpoint responsibility and impose accountability becomes almost impossible.

As nations acquire nuclear materials and technology, the temptation to develop explosives will intensify. Nuclear capability tends to be viewed as a measure of power and prestige. By a recent poll, a majority of Indians now favor that nation's acquisition of the nuclear weapon. The timid international reaction which India's action generated cannot have gone unnoticed by other nations which may be moving toward nuclear capability.

As the nuclear-weapons potential spreads, destabilizing in-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fluences will become more pronounced. Nations will find it difficult to exercise self-denial for long when traditional enemies start down the nuclear path. Confronted by nuclear India, Pakistan cannot help but feel anxiety. Indeed, it is now seeking a reprocessing plant, and if successful, will acquire its own source of plutonium. Iran, although it is a party to the Nonproliferation Treaty (NPT), may also be moving in that direction. Its plans for accumulating reactors appear to exceed any realistic energy requirements. Iraq in time could follow suit. Israel and Egypt, as well as others on the nuclear threshold, may be tempted to follow.

And momentum has been added by the feeble Test Ban Agreement reached at the recent Moscow summit. The 150-kiloton threshold, the 1976 effective date, and the total exemption of explosions for "peaceful" purposes all imply—even proclaim—that the United States and the Soviet Union are not very serious about stopping proliferation. "Peaceful" nuclear explosions are indistinguishable from explosions for non-peaceful purposes, a point brought home forcefully by the Indian detonation last May. If the superpowers are unwilling to exercise restraint themselves, they cannot expect restraint from others.

III

Against this background of ever-widening nuclear capacity and temptation stands the Nonproliferation Treaty. Signed in 1968, it is a testament to the anxieties aroused by the French tests that began in 1960 and the Chinese tests that began in 1964. A startled world then awakened to the reality that nuclear weapons were no longer the province of the few.

The treaty has 83 parties. It has 23 additional signatories which have so far withheld ratification. Both China and France have steadfastly refused to join. Also missing are Argentina, Brazil, India, Pakistan, Israel and South Africa. South Korea, Japan, West Germany and Egypt have signed but not yet ratified.

The treaty remains just that: an agreement to be observed by those willing to join and for so long as it suits their purposes, with two powerful nuclear states, as well as many potential nuclear states, on the outside. It is a mighty gesture, but it falls seriously short of coping with today's realities.

The treaty is shot through with potential contradictions. It prohibits the transfer of weapons on the one hand, but it en-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

courages the exchange of nuclear materials and technology on the other. It puts nuclear assistance under safeguards, but requires that such safeguards not interfere with international nuclear exchange. It requires safeguards on a recipient's nuclear facilities, but it does not forbid assistance to a nation which has refused to join the treaty. It imposes limitations on transfers by nuclear-weapons states, but makes no provision whatever for subsequent transfers by recipients to third countries. And, at bottom, it contains no sanctions.

Woven throughout the NPT is an assumption that safeguards can prevent the proliferation of nuclear weapons. But that assumption is open to question. When the NPT was concluded, there was no agreement on the safeguards to be imposed. Instead, the matter was left open for inclusion in subsequent agreements which each party would negotiate with IAEA. Failure to reach agreement at the time on the fundamental standards which would underlie the NPT is a significant commentary on the lack of international consensus.

As IAEA safeguards have developed, it is clear that they are unsuited to the present task. They consist of little more than an inventory accounting system. They can detect diversions after, or as, they occur; but they are powerless to prevent them from happening. They neither impose nor require security to prevent diversions, so that either real or feigned theft of plutonium is a possibility. Once the diversion has occurred, a recipient nation can confess, but the international community is unprepared at present to invoke meaningful sanctions. And IAEA safeguards, of course, do not even apply to nations, including the United States, which are classed as nuclear-weapons states under the treaty, although the United States and the United Kingdom have voluntarily offered to apply IAEA safeguards to a broad range of their facilities.

IAEA safeguards are, moreover, insufficiently adaptable to changing technologies. The Canadian heavy-water reactor and the West German reactor in Argentina are particularly disturbing in this respect. They operate on raw or lightly enriched uranium and produce large quantities of plutonium. Diversions from these reactors are more difficult to detect than diversions from light-water reactors.

Other technological developments will intensify the problem. The variety of reactors is increasing. While the American light-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

water reactor normally requires enriched uranium, a material not now freely available, new technologies such as the centrifuge, laser technology, and a secret technology reportedly being developed in South Africa could in time make enriched uranium readily available. Additional problems will be created by the high temperature gas reactor (HTGR) which, while it has certain safety advantages, requires uranium so highly enriched that it can be used directly for weapons manufacture. Also, the new fast-breeder reactors, just becoming practicable, use plutonium as fuel and produce still more plutonium.

Keeping up with changing technology will on the face of it require vastly more resources than have been committed to the task so far. Presently, IAEA has budgeted only $200,000 for research on safeguards for the entire international community. The U.S. Arms Control and Disarmament Agency (ACDA) will spend at most $474,000 on safeguards research in fiscal 1975—down from the $785,000 budgeted back in 1969. Along with some research within the U.S. Atomic Energy Commission, this appears to represent the entire worldwide effort on international safeguard research. Moreover, there is no established procedure for translating American national safeguards into international safeguards.

Apart from its limited charter, IAEA itself has deficiencies that reflect the interests which it serves. And the interests served are those which favor proliferation of nuclear capacity. Such proliferation is implicit in the NPT, with its emphasis on widespread sharing of nuclear materials and technology, and implicit too in the purpose and structure of IAEA.

Founded in 1957 to foster international nuclear cooperation, IAEA exists to promote the international development and use of atomic power. As with the U.S. Atomic Energy Commission, service to its constituency is an overriding goal. Its 104 members overwhelmingly reflect the interests of recipients. They, not the supplier nations, retain ultimate control, although admittedly the United States has leverage both politically and because of its budgetary contributions. When questions of safeguards, security, sanctions and research arise, answers which interfere with access to nuclear power may not enjoy much support.

Many critical questions are now pending before IAEA. Among them is the question of whether "peaceful" nuclear explosions should be permitted, and, if so, under what conditions.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Here the United States whetted the appetite of some with Project Plowshare. The NPT imposes obligations on each party to the treaty to make the benefits of "peaceful" explosions available to all. Should the questions which such peaceful explosions raise be resolved by the recipients through IAEA or by the suppliers?

Under the present circumstances, it appears that neither has the necessary perspective to provide final answers to this and to the many other questions raised by the spread of nuclear power. Nationalistic expectations will go on rising. Potential recipients will continue to see immediate gains in the acquisition of a nuclear capability. Limitations on freedom of action will be resisted. Nuclear-exporting nations will be reluctant to forgo the opportunity they now see to serve their immediate self-interest in new and bigger markets. And down the road other nations, seeing the profit to be gained from sales of nuclear materials and technology, will hope that they too, in time, can share in those profits. The nuclear-sharing agreement entered into by India and Argentina just six days after the Indian explosion highlights the possibility. For a long time to come, the need for power and the desire for profit will dominate national nuclear policy—unless perceptions of self-interest change.

IV

This is where the United States must take the lead. The self-interest of all nations is served by controlling the nuclear menace. If that self-interest were now clearly perceived, this alone might produce restraint and caution throughout the world. We can hope so—but we dare not depend on it. The policies of governments are not always the creatures of enlightened self-interest, particularly when the benefits of one course of action are immediate and the benefits of another are remote.

The dangers of nuclear proliferation require an intense re-examination and a major new international effort to contain them. All nations must be made to see the seeds of destruction in the rush to extend nuclear capability throughout the world without adequate safeguards. That effort will be led by the United States or not at all.

The conventional wisdom argues that the United States should accelerate its nuclear sales efforts. If the United States doesn't, it is argued, others will; and the result will be expanded sales by countries which do not insist on adequate safeguards, as well as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the spread of reactors, like the heavy-water reactor, which are more difficult to police and more susceptible to plutonium diversion.

The conventional wisdom is a prescription for the escalation of proliferation. Aggressive promotion by the United States can only induce others to follow suit. And like lemmings, nations will then surge toward the sea, drawn by little more than the short-term prospect of energy and profit.

I suggest that instead of surging ahead, the United States declare a conditional one-year moratorium, make no sales of nuclear reactors except to countries which submit *all* their facilities to IAEA safeguards, and immediately begin an intensive effort through concerted international action to develop and implement improved safeguard and security systems. The moratorium should be imposed on the supply of fuel, technology and nuclear-related materials—with an exception only for commitments under existing contracts. In addition, the moratorium should apply to all countries which refuse to subject their re-exports to acceptable safeguards.

Such an act would offer the world an example—and time. It would demonstrate that the United States is in deadly earnest. It would reduce the competitive pressures to export. It would offer a breathing spell during which supplier nations, and recipients as well, could re-examine the dangers which they all confront from unpoliced and vulnerable nuclear facilities. If other supplier nations did not join the effort, we could resume. But there is a basis for believing that perceptions of the danger are beginning to stir and that American leadership would evoke a favorable response from the supplier nations, including the new government of France.

In the late 1950s the United States came to realize that the world was headed for disaster if it continued poisoning the environment with nuclear tests. Taking the lead, the United States ceased atmospheric testing. By its gesture, it sparked a better understanding of the danger. The Limited Test Ban Treaty followed in 1963.

A similar gesture is now in order. Our action could convince others that the problem is urgent and offer supplier nations relief from competitive pressures. It could spur efforts to attack the problem with effective and enforceable safeguard and security systems.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A moratorium will be useful only if it leads to significantly enhanced international safeguards and physical security systems. The task will not be easy. Extraordinarily complex and delicate international political issues will be raised. But the NPT review conference, scheduled to convene in May 1975, offers a forum. Careful preparation now could lead to a resolution of at least some of these issues at the conference.

V

A key element in developing adequate international safeguards is strict control over all materials and technology that can be used to make weapons or can otherwise be used for destructive purposes. At present, highly enriched uranium and plutonium fall into this category. Every step necessary must be taken to ensure that these materials do not fall into unauthorized hands once a nuclear facility is in place, and that no state which does not now have a weapons capability can divert sufficient quantities of these materials to make explosives.

This means that nuclear facilities should not be installed in any country unless there is assurance that plutonium and enriched uranium cannot be diverted for weapons purposes. At a minimum, therefore, no reprocessing plants should be allowed in such countries, for it is the reprocessing plant which makes possible the development of weapons-grade plutonium. All reprocessing should be done elsewhere, at first (as at present) by the supplier nations under newly agreed-upon terms and conditions, but ultimately under international auspices. Plutonium should be banned as an export to be used with natural uranium as a reactor fuel, notwithstanding the temptations to create fuel in this way.

There must be similar assurance that the enriched uranium fuel for light-water reactors goes directly into the reactor and that the spent fuel core is returned directly to the supplier. In addition, exports of materials such as computers, intended to be used for nuclear-weapons development, must be controlled. Provision must be made for the physical security of the reactor in order to prevent unauthorized access and theft by terrorist groups, criminal elements, or others, and for security in storage and in transit. The multinational corporations must be prevented from evading safeguards by licensing or otherwise establishing manufacturing or processing facilities in non-safeguarded na-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions. And finally, effective sanctions must be developed, together with the means and willingness to enforce them.

Adequate sanctions require more than the withholding by individual suppliers of fuel, which is, or could become, available from other sources. Sanctions will require agreement among all fuel suppliers to withhold fuel from any non-safeguarded or non-complying nation. Such an agreement should also cover the supply of replacement parts and related equipment, including computers. Broad economic sanctions should be agreed to as a last resort.

An agreement on sanctions by the suppliers would enhance the authority of the IAEA. It has little bargaining power now, and if it negotiates a weak safeguard agreement with one nation, it sets a precedent for others. Under my formula IAEA safeguards would comply with supplier standards, and violations of the IAEA safeguards would invite sanctions from the suppliers.

Initially, all this will require that the supplier nations—the United States, Canada, France, the United Kingdom, the Soviet Union and West Germany—acting through arrangements such as the informal Zangger Committee of the IAEA, agree on uniform standards and be prepared to enforce them. The present institutional arrangements, which include both suppliers and recipients, are too heavily biased in favor of recipient nations to expect anything but minimal standards. Membership in the supplier club should not be left open lest it encourage applications.

Consensus among all nations—suppliers and recipients alike—is desirable and should be the goal. But the short-term objective must be immediate action. The longer we wait, the longer the list of supplier nations will grow and the greater will be the difficulty in securing agreement.

In taking these first steps, the supplier nations must be prepared for resistance from recipients, at least initially. Safeguards which preclude recipient-nation control over the reactor by-product or over sources of fuel cannot help but be unpalatable. There will be resistance to an ongoing presence at nuclear facilities which cannot be policed by periodic inspection or by remote control devices. There will be concern over continued dependence on supplier nations for fuel and fuel reprocessing. But because the dangers of proliferation are so great and because the failure to halt it now may make it impossible to halt it at all, supplier nations must take all steps necessary, however unpalat-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

able they may be to recipients.

Over the long run, international control can be made more attractive and should come to be seen as a great benefit. Arrangements which provide recipient nations with assurances against arbitrary termination of nuclear-sharing agreements would help. An international nuclear bank from which fuel could be drawn on prescribed terms and conditions would remove understandable anxieties about dependence on other nations. A common financing arrangement to help recipients bear the start-up costs of nuclear power installations would provide strong incentives to cooperate. And insurance against unauthorized access can give the governments of recipient nations greater assurance against terrorist revolutionary activities.

VI

None of these measures will be easy to achieve. But the breathing spell provided by a moratorium would provide an opportunity for all to embark on the serious efforts required.

There are other steps which the United States should initiate. One is a concerted effort to bring all nations into the NPT. Another is expansion of the transfer restrictions in the NPT to include re-exports of nuclear materials and technology by recipients. A third is a prohibition on transfers of nuclear materials or technology to non-NPT nations. A fourth is acceptance of internationally agreed-upon safeguards on the non-safeguarded nuclear facilities of supplier nations. Fifth, we should encourage an adequately funded international safeguard research effort, starting at once with adequate funding for current IAEA safeguard activities.

These many steps require international agreement. There are other steps which the United States can take on its own.

Internal institutional arrangements must be clarified. At present, the lines of authority between the AEC, which controls certain nuclear exports under the Atomic Energy Act, and the Department of Commerce, which controls all other exports under the Export Administration Act, are not clearly delineated. Once a cooperation agreement for the export of nuclear reactors and fuel is entered into, little careful scrutiny is given to exports of replacement equipment and nuclear-related materials such as computers. U.S. export-control procedures need to be harmonized to ensure that there is an opportunity for consultation with

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the agencies best equipped to gauge the political, military and nuclear proliferation consequences of a given export. As it now stands, the AEC may have the technical competence to assess the adequacy and workability of safeguards. But institutionally we have little assurance that the political consequences and the enforceability of such safeguards have been adequately assessed. A better institutional framework would include a joint State and Defense Department committee with the clear responsibility for the review and approval of all exports of nuclear equipment, fuel, related equipment and licenses.

Congress, too, should have a greater voice. All bilateral cooperation agreements should require affirmative congressional approval. The judgment of the Congress is not necessarily wiser than the collective judgment of the executive branch. But it can at least act as a check, and each cooperation agreement could become the occasion for discussion.

The United States itself can do much to reduce proliferation incentives. The AEC Plowshare program to develop nuclear explosives for peaceful applications should not be reactivated. The United States should stress the limited military utility of nuclear weapons, or to put it differently, make the nuclear option less tempting, by emphasizing conventional defenses. In areas where the weapons do not now exist, reliance on the concept of nuclear deterrence should be de-emphasized and nuclear free zones sought. In dealings with China and the Third World, economic development should be promoted as an alternative to military measures to achieve national power. We should pull back nuclear weapons stationed abroad and publicly disavow new deployments, except in areas dependent on the U.S. nuclear shield. In that regard, it would be difficult to conceive a more counterproductive move at the moment than to position nuclear weapons in the Indian Ocean on the island of Diego Garcia, a development at which Defense witnesses appeared to be hinting last spring when they spoke of stationing B-52s there.

To decelerate the race to manufacture and sell fuel, the United States should re-establish its reliability as a supplier. To do so, it must resolve the controversy over private versus public ownership of reprocessing plants. Only the government can do the job. If private-sector participation is desired it could be obtained through investment in a government corporation, along Comsat lines. The corporation could later become the U.S. par-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ticipant in an international organization for the supply and control of fuel.

The United States might also support the seating of non-nuclear powers on the U.N. Security Council as a means of loosening the connection between nuclear power and international influence. Probably as much as anything, a realistic SALT agreement with the Soviet Union would help to diminish the significance of nuclear arms. In its every action, the United States should carefully weigh the consequences of nuclear proliferation.

After 20 years of somnolence, Indira Gandhi and Richard Nixon have awakened the United States, if not the world, to the perils of nuclear proliferation. However inadvertently, the explosion in the Indian desert and the offers of nuclear assistance in the Middle East have sparked a long overdue reexamination of "peaceful" nuclear proliferation. Among scientists and civil servants, there is a growing realization that the cows have started out of the barn—and may soon be gone. The peace and stability of the world may well depend on how earnestly we face up to the implications.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CAN PROLIFERATION NOW BE STOPPED?

By George H. Quester

INDIA detonated a nuclear explosive below the surface of the Rajasthan desert on May 18 of this year. If we were hoping that the world's nuclear club could be limited to the five nations that have possessed the bomb since 1964, that possibility is thus now gone.

One should not base too many hopes on the fact that the Indian explosive was portrayed as intended for nonmilitary uses. Indian politicians have been releasing trial balloons for years now about a "peaceful nuclear explosive," while often more jocularly and candidly referring to it in New Delhi and Bombay as the "peaceful bomb." By detonating its explosive as it did, the Indian government avoided violating the aboveground Limited Test Ban Treaty of 1963, which it had signed and ratified. By defining the explosive as peaceful, the government could also argue that it did not violate its agreement with Canada on the reactor at Trombay, an agreement which merely required use for "peaceful purposes." The "peaceful explosives" euphemism was moreover likely to hold back some hostile foreign reactions, although newspaper editorials the next day could note that such an explosive was practically indistinguishable from a bomb. By detonating underground, the Indians indeed demonstrated that they had more than some huge and crude device; since it was small enough to be gotten down a deep shaft, it was probably small enough to be carried aboard an airplane.

Can the further spread of nuclear weapons now still be contained after the Indian explosion, or must we reconcile ourselves to a seventh and a twelfth and a twentieth state with nuclear explosives? Is there even any good reason to devote much effort to trying to curb proliferation; is nuclear proliferation necessarily so bad?

Proliferation is indeed still bad for the world. The spread of nuclear weapons in some cases may make war more likely, because such weapons temptingly suggest preemptive strikes by the air forces of a region. And in most cases the spread of nuclear weapons will make war enormously more deadly and destructive, as entire cities become vulnerable to the strike of a single bomber.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If one concluded that the Indian detonation made the further spread of nuclear weapons inevitable, this author would see that detonation as a disaster for the world. An alternative possibility will be explored here, however, that proliferation may yet be containable, even after the Indian action.[1]

II

In looking at policy avenues that might conceivably limit the size of the nuclear club, some might now advocate taking a firm and punitive position toward India herself. Hypothetically, India could be forced to sign the Nuclear Nonproliferation Treaty (NPT), to open all of her peaceful facilities to inspection, to dismantle or hand over any additional nuclear explosives she had produced, to promise that she would never again produce or acquire such explosives.

To this end, nuclear assistance to India might be curtailed or terminated. Other forms of economic assistance could be terminated. Political condemnation might be voted in various bodies of international organizations. Even more severe sanctions might be considered. If such punitive measures failed to bring India around, they would at least show the rest of the world that the NPT system can be challenged only at some peril.

But the bulk of such a response has never been likely to happen, and the Indian government had reason to be assured of this before its detonation. At the very least, a punitive response would have required reliable cooperation between the United States and the Soviet Union, so that neither need fear that the other would pull a double cross by forgiving India at the last moment. There was indeed extensive collaboration and collusion between the two superpowers in 1967 and 1968 in the drafting of the NPT, with the prospect of continuing cooperation thereafter in discouraging proliferation for most of the nations of the world. Yet where the specific nation is as big and important as India, each capital had all along had to fear that the other would never go through with meaningful retaliation. Perhaps this was because Moscow has been shortsightedly tempted by supposed new opportunities for influence in New Delhi, or because President

[1] The arguments presented here have been developed in seminars and conversations with colleagues in the Cornell University Peace Studies Program, most especially with Chaim Braun, Milton Leitenberg, Franklin Long, Onkar Marwah and Lawrence Scheinman.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nixon and Secretary Kissinger each expressed skepticism about the NPT, which had been drafted in the preceding Johnson Administration. Perhaps it was instead because the "India desk" outranks the "arms-control desk" in each of the foreign policy bureaucracies. Most probably it was because India is a special country, of special importance and with special problems. The Soviet Ambassador was reported to have been visibly angry upon being informed of the detonation, but his government's statement pointedly backed up the Indian contention that nothing obnoxious had occurred, since the Indian detonation was "peaceful." The U.S. reaction was almost as mild; the State Department is reported to have drafted a much more critical statement, which Secretary Kissinger shortened and toned down.

One could have ruled out some forms of retaliation simply on humane grounds. If famine should threaten, the outside world is not likely to hold back grain simply because India detonated a nuclear device. Grain may be hard to buy now, because surplus is no longer the rule, but this would have affected India even if she had not challenged the NPT. With regard to the broader forms of economic aid to India, the consortium of aid givers was scheduled to convene shortly after the May detonation; it did not retaliate, but instead indeed increased its pledges of assistance for the coming year.

Over the longer term, a resentment may set in which would result in cutbacks in aid for India, but to what extent? Some nuclear assistance may now be curtailed, but India had reached a stage of self-sufficiency in many aspects of nuclear development, before the detonation, such that she will not suffer badly here. The Canadian decision to terminate assistance produced some irked Indian comments that this assistance had hardly been significant in recent years. At the margin India may undergo some economic penalties for her detonation, but only at the margin; Indian advocates of the bomb may well contend that this will be more than made up for by the enhancement of India's scientific image abroad.

Canada's reaction was indeed openly and righteously angry. Perhaps it reflects genuine astonishment at the Indian detonation, but perhaps instead a certain embarrassment at having failed to draft a more airtight contract with the Indians eight or ten years ago. Ottawa in any event can hardly claim that it did not receive fair warning that an Indian "peaceful explosive"

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

might one day go off, very possibly using material from the original Canadian reactor.

Yet Canada is a country which does not have real worldwide responsibilities. As such it can speak its mind and vent its anger when it wants to, lecturing another state on the proprieties much as the United States tended to do in the 1920s and 1930s. This anger, however, can hardly now be an appropriate model for all of the rest of the world, for the states that matter the most, in particular for the nuclear-weapons states.

It is probably too late in any event to get India out of "the club." Nonweapons status, like virginity, is not easily restored; this was one of the difficulties of the 1946 Baruch Plan, by which the United States was in effect offering to go back to non-possession of nuclear weapons. Whatever India may do in the future, it might always be remembered that she once had completed the steps of manufacturing and detonating a bomb-scale device, that she might secretly have hidden some bombs away, that she might quickly reassemble the team of technicians who had produced the device before. The time to stop nuclear proliferation is before it happens. The logic of the Nuclear Nonproliferation Treaty indeed underscored this notion in 1968 by tolerating as a nuclear-weapons state any government which had already gotten the bomb as of that date. India has now moved to update this.

It may thus be inherently impossible for the world to pressure India into any meaningful exit from the nuclear club, or to punish India so much that entry now will seem a bad bargain. Yet a very different kind of "punishment for India" may be much more feasible, namely that the world no longer accord very much attention, glory or prestige to entry into the "nuclear club." This would indeed require that Americans, Russians and others seem to be bored rather than angered by Indian detonations. Such a reaction has to be real and natural to be convincing, but to some extent such indifference and boredom is indeed the current reaction: American news services, for example, assigned a low priority to the announcement of the Indian detonation. Exploding an atomic bomb ten years too late may be a little like putting a man into space ten years too late; it may not bring political returns that are worth the trouble.

India may indeed have built her bomb for peaceful uses, although all the outside world doubts this. She may have acted in part to intimidate Pakistan or to prepare the psychological

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

climate for future negotiations with China. The bomb may also have been built to win prestige and some general political clout, to bolster Mrs. Gandhi's domestic political position, to win India greater respect abroad. If, in this last category especially, the bomb pays off less handsomely than expected, the Indian example may not inspire as much imitation as we fear.

III

But is just ignoring the Indian detonation the best we can do? Not quite. If we concede that India has made it safely into the ranks of nuclear-explosives nations, New Delhi may still not really wish to allow many more nations into these ranks. It is not difficult to find Indian government officials who are quite concerned that the sixth not lead to the sixteenth. Americans and Russians in the past tried to discourage an Indian bomb by warning that proliferation would be unstoppable thereafter; if Indians ignored such warnings, it was not because they were indifferent to this risk, but because they thought it might yet be controlled.

In the first place, it makes a considerable difference to the effect on others how far India decides to go. Does she need or want to proclaim openly that she views her peaceful explosive also as a bomb? How many more detonations are desirable? Is a move to an expensive thermonuclear (H-bomb) detonation appropriate? How openly and how quickly does India wish to put money into much more expensive new delivery systems for nuclear weapons? Each of such policy choices will have to be evaluated in New Delhi with some concern for the risk of further proliferation.

Expense is clearly an inhibiting factor. The outside world has unfairly evaluated the bill thus far for the Indian detonation, for the plutonium bomb is in fact basically a low-cost spin-off from the rest of the Indian nuclear program. Estimates of the cost of the explosives portion of the nuclear program range as low as $25 million, and the rest of the program is indeed proving sensible for India's civilian energy needs, especially since the price of oil has risen so much. To go to H-bombs and missiles, however, would be tens of times more expensive, far more explicitly a diversion from civilian needs, more easily condemned abroad, and for that matter harder to justify and sell in New Delhi.

But apart from expense, one has the considerations cited above

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of arms control. India has proved she can detonate a nuclear explosive. Perhaps her own foreign policy goals, as well as her domestic goals, will now be served best by not doing much more, lest additional actions make it easier for others to decide to "do more" by entering the nuclear explosives field.

The current Indian posture of pretending not to have a "bomb" is excessively cute, conveying little assurance to Pakistanis or anyone else. If they are to be taken at all seriously, Indian disclaimers of military intent might best be reflected in a no-first-use pledge. After some time, it might serve the interests of all concerned for India simply and calmly to make her declaratory posture identical to that of China since 1964, candidly stating that she has what can be used as a bomb, but declaring "that at no time and in no circumstances will [she] be the first to use nuclear weapons."

IV

Proliferation has long been threatening in the Middle East as well as in South Asia. We have no assurance that Israel has not used the 24-megawatt reactor supplied by France in 1957 to produce one or two atomic bombs each year. Rumors of such bomb production emerge periodically, at times apparently instigated by Israeli government sources as psychological warfare to intimidate the Arab regimes. The Indian detonation of course hardly dampened apprehension about this neighboring area, and a wave of concern has now been aroused by the American offer during President Nixon's recent visit of one 600-megawatt reactor each to Egypt and Israel, and by the contracted sale of five French and two American reactors to Iran.

Is there any way that this flow of events can somehow be turned in the direction of containing nuclear proliferation, rather than accelerating it? Egypt has signed, but not ratified, the Nuclear Nonproliferation Treaty. Israel has refused to sign. If Israel signed and ratified, there is reason to hope that Egypt might ratify. But Israel's submission to inspection by the International Atomic Energy Agency (IAEA), as required by the NPT, would up to now have cancelled out some of its psychological-political advantage in the proliferation rumors noted above. Israel has never talked of driving Arabs into the sea; but the prospect of an Israeli A-bomb might have seemed useful insurance against a drive in the other direction.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

What role does the U.S. offer of reactors play, and what role can it play? The United States for the moment is not insisting that either state adhere to the NPT in order to receive the proffered aid. Because the American offer neutralizes the supposed asymmetry between "near-nuclear" Israel and "non-nuclear" Egypt, however, it may help prod the Israelis to accept the treaty. Secretary Kissinger's intervention in the Middle East has importantly involved discouraging Israel from relying too much on supposed military superiorities. The greater "nuclear parity" suggested by the offer of two 600-megawatt reactors may thus be altogether consistent with this policy; it will no longer allow Israel to have a "nuclear rumor monopoly" in the region.

There are of course two ways of achieving nuclear parity at this superficial psychological-warfare level. Once the Egyptian reactor is in operation, rumors of Egyptian bombs could emerge periodically to match rumors of Israeli bombs. Or we could see Israel now move to sign and ratify the NPT, and Egypt then ratify the treaty, with the result that there would then be a "parity" with very few bomb rumors on each side.

Much will thus depend on Israeli preferences in the matter. Becoming a party to the NPT would mean that each country's entire nuclear industry would be thrown open to inspection by the IAEA based in Vienna, no matter where the reactor or nuclear facility originally had come from; it would mean that the IAEA's task would be easier, and that its reports would be more reliable and reassuring. It would mean that even Israel's French-supplied reactor at Dimona would be open to inspection.

Hence, the American offer of nuclear assistance to states in the Middle East will make far more sense if Israeli and Egyptian adherence to the treaty can be won in the process. Perhaps the U.S. government is already orchestrating quiet pressures that way. Perhaps it will begin to do so, but only after some congressional pressure is applied.

If Egypt and Israel could be persuaded to ratify the Nonproliferation Treaty this year, this would be a major counter to the destabilizing momentum of the Indian detonation. Nations everywhere are now watching to see whether this will be a world of many or few nuclear powers. The Indian move unfortunately suggests "many"; a Middle East renouncing nuclear weapons might conversely suggest "few." Yet one has as yet seen too little

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hard evidence that the Administration is prepared to exert this kind of pressure in the Middle East or anywhere else. It is paradoxically the case that it required a more "anti-American" government in Australia to get the NPT ratified in January of 1973, whereas "pro-American" governments had been delaying action. While one can of course make a mistake in applying too much "hard sell" for something like the Nonproliferation Treaty, the Nixon Administration at times seemed to be applying no salesmanship at all.

Jordan, Lebanon and Tunisia are three Arab states that have already gone ahead to ratify the NPT; Algeria and Saudi Arabia have never signed, while the other Arab states match the Egyptian position of signature without ratification. Saudi Arabia, because of its great wealth and weight in the area, would be an especially useful addition to the list of parties to the treaty. Libya, with large cash reserves in hand with which to try to purchase an atomic bomb, might remain a problem.

Yet the essence of halting proliferation may be that one pitches in, in a patchwork fashion, to solve one problem at a time, tackling each while it still can be solved. Avoiding proliferation in the Middle East hinges on specific political attitudes and tensions, and these must be dealt with case by case. It also has a wider relation to the problem of reactor safeguards, to be discussed later.

V

Argentina and Brazil are in some ways the states most troublesomely related to the Indian precedent. Brazilian spokesmen have been talking about "peaceful nuclear explosives" for years, and Argentina has historically felt compelled to match Brazilian achievements. Neither has signed the NPT, and the link to India has unfortunately been reinforced by showcase agreements for Indian-Brazilian nuclear cooperation and just recently (since the Indian detonation) for Indian-Argentinian cooperation. And both nations seemed to be embraced by Indian references in the original NPT debate to "countries like India."

It may be difficult to quiet the last Indian official who over the past seven years has had the function of bracketing India with Brazil and other nations as worthy exploiters of nuclear explosives. Nonetheless, given the normal time-lag to reach all the corners of a bureaucratic establishment, the Indian govern-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment might be mobilized behind the creation of a new firebreak, now that the old one has become inoperative. China stopped being "pro-proliferation" after she got into the club in 1964. It is in India's self-interest to make a similar change.

There are indeed important differences between India and other countries, which could be made convincing here. To begin with, India has a nuclear-weapons-equipped neighbor in China, with whom she fought a war in 1962, and with whom she still has a border dispute. Because of this, in the 1960s one could find spokesmen of a great number of nations around the world expressing a special tolerance and sympathy for Indian nuclear aspirations. India, moreover, has a tradition happily free of military interventions in politics. There have been no military coups, nor for that matter any pattern of terrorists leaving explosives around cities and kidnapping prominent citizens, etc.

By contrast, neither Brazil nor Argentina has anything to fear from any nuclear power. And nuclear weapons can present special dangers in any nation that must continuously fear that one part of its armed forces will turn against another part, or against the government in power. A Brazilian or an Argentinian head of state might wish to ponder twice whether his (or her) personal position and the country's national politics would be improved with nuclear weapons in the national arsenal. Countries with military governments or frequently without stable government are not "countries like India."

As noted, moreover, Brazil and Argentina tend to emulate each other. If either gets "peaceful nuclear explosives," the other is likely to seek the same. Wars have been less frequent than arms races between these two states, but a situation where both had (or appeared to have) nuclear weapons would surely be tense. For Brazil, inclined to be as prestige-minded as India, any gains in status could be at the expense of security headaches.

The situation is certainly not yet hopeless here. Making atomic weapons is becoming easier, but one still does not slap them together overnight. For some time into the future, these states will need substantial outside assistance on nuclear power production, and they will indeed want the electricity the reactors can produce. Brazil chose to buy its first power reactor from the United States, with enriched uranium as the fuel, even though this necessarily invokes IAEA safeguards and gives Washington leverage over Brazil's nuclear intentions in the future. The rea-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

son was simple: the American reactor was more efficient as an electricity-producer. Argentina by contrast has gone for natural-uranium reactors which seem less cost-effective but promise earlier independence; but even here we have seen the Canadian government now move to impose stricter conditions on its supply of such a reactor, in the aftermath of the Indian experience.

The presumed appeal of "peaceful nuclear explosives" is another issue flagged by the cases of Brazil and Argentina. Here it would be immensely helpful if the advocacy of such peaceful nuclear devices could be damped down within the United States. Most scientists who have studied the possibility are quite skeptical about the projected benefits; so far, no significant project has emerged in which nuclear explosives could be used effectively and without substantial fallout. If officials of the U.S. Atomic Energy Commission, or its Russian equivalent, continue to emphasize the great possible returns from such explosions, however, it will be all the harder to discourage such projects in Brazil.

In this connection, unfortunately, the just-signed Soviet-American agreement to curb underground testing may prove very counterproductive. The agreement leaves a grace period of 21 months and tolerates a threshold of 150 kilotons (far above the magnitude of the Indian detonation), which already unfortunately suggests that the superpowers are not very serious about de-emphasizing nuclear weapons. Its Article III, furthermore, worsens the situation by for the moment flatly exempting peaceful nuclear explosives from the ban. It has been suggested that New Delhi may have hurried along its detonation because of rumors that the two superpowers were about to accept a meaningful ban on underground testing at their June Moscow summit, a ban which would increase the moral pressure against an Indian detonation. One wonders whether India had any reason for haste, if this was all the moral bind the Soviet-American agreement was going to impose.

VI

One might look next at the countries most closely neighboring on India. Pakistan's displeasure with the Indian move was of course quickly made clear. Ceylon and Burma and Nepal are just as displeased, but will not say so as openly. President Bhutto might now try to hurry to acquire his own bomb for Pakistan, but

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

this will be more difficult when foreign assistance is not available. Canada and the United States will be quite cautious about requiring safeguards here, and so probably will Britain and France and the other possible European suppliers.

In light of political alignments, one might speculate that Pakistan would quickly seek assistance, or the outright supply of bombs, from China. Would it not have made sense for Peking to have promised bombs to Pakistan if India ever went nuclear (or to Egypt, if Israel ever detonated a bomb)? This might indeed seem quite consistent with Chinese statements of the early 1960s extolling the spread of nuclear weapons. Yet past Pakistani (and Egyptian) inquiries about such a contingency arrangement seem always to have drawn a totally noncommittal Chinese response. Peking seems well aware now of the realities of the world; it understands that continual nuclear proliferation is full of hazards.

One could of course argue that the examples of North Vietnam versus the United States, or Iceland versus Britain, show that a non-nuclear Pakistan does not have to fear India so very much. The example of Hiroshima or Nagasaki unfortunately suggests the reverse, but much has happened since 1945; a nuclear club is different when it has more than one member. As with the other countries discussed, much of what Pakistan tries to do will depend on Indian behavior after the detonation; one must assume that New Delhi will prefer that Pakistan at least be non-nuclear.

The proliferation attitudes of Iran have attracted more attention, now that a total of seven large-capacity reactors have been ordered from France and the United States. A French news report after the Indian detonation quoted the Shah as wanting nuclear weapons for Iran, but this was quickly denied by the Iranian government; subsequently, Iran has renewed its own previous proposal for a nuclear-free zone in the Middle Eastern region.

Even before the Indian detonation, there was widespread speculation about the Shah's intention to become some sort of balancing counterweight to India, in particular after the defeat of Pakistan and the independence of Bangladesh. While such speculation quieted somewhat after the visit by Mrs. Gandhi to Tehran early in May, it would not be surprising if the Iranian regime were disturbed to see this visit followed so soon by India's entry into the nuclear club.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Does one thus have to see weapons intentions in the Iranian move to reactors? A skeptical view would indeed question the economic necessity for such reactors, since Iran itself is hardly experiencing an energy shortage. Surely there is some distance to go yet in the industrialization of Iran, and in the harnessing of all energy sources, before nuclear power becomes cost-effective. If this economic analysis is correct, then Iran's intentions may indeed be suspect.

Yet other factors may counter suspicion here. Iran's Shah has been urging the outside world to reduce its consumption of oil, to shift to nuclear energy where possible. He has pushed up the price of oil to discourage its overall consumption, to seek to shepherd a diminishing resource for Iran, so that his country will not plunge into poverty again early in the twenty-first century. Nuclear reactors in Iran might thus be meant mainly to set a good example for the world, to show that oil more and more will be reserved for use as a petrochemical rather than as a source of heat energy, even in oil-rich countries. Getting reactors into operation, moreover, takes time, as does setting up an infrastructure of trained manpower to operate a nuclear industry. If reactors would not look cost-effective for Iran today, it may yet be the right time to get going on a nuclear industry that could pay off handsomely for the country 15 or 20 years from now.

Moreover, the fact that Iran both signed and ratified the NPT remains of great importance: it is more difficult to abrogate such a treaty than to refuse to sign it in the first place. The NPT means that all of Iran's nuclear industry, whatever the source of fuel or equipment, will be under IAEA inspection. This point, overlooked in some comment on Iran's situation, should be a major reassurance to the outside world.

As for the Shah's proposal of a nuclear-free zone in the Middle East, it is difficult to draw any major conclusions. At the least it shows how some potential "Nth" countries are willing to assert anti-proliferation sentiments.

VII

In Europe, the Indian detonation seems less immediately upsetting than elsewhere. West Germany completed its parliamentary debate on ratification this year, and the deposit of its ratification is likely to occur once Helmut Schmidt has his political house in order. What once seemed major disagreements

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

between Bonn and the International Atomic Energy Agency about the form and thoroughness of IAEA inspection seem to have been successfully compromised. Significant accommodations have been made in winning the more highly industrialized nations to an acceptance of the NPT, by assurances that the Vienna Agency's safeguards will not be so excessively rigorous as to impose great economic burdens.

The compromise could of course be upset now if the Indian experience convinced everyone that these safeguards were too lax, but this would be a very misleading inference. IAEA safeguards were not deceived in India; what failed was a basically unpoliced "gentleman's agreement" between New Delhi and Ottawa.

If big reactors are given to Egypt and Israel, they may similarly generate a problem of invidious comparison as to the intensity of surveillance under such safeguards. What is sufficient as inspection in West Germany or Italy or Japan will not be so convincingly reliable in the Middle East. And the total of what might be needed in the Middle East would conversely be unbearably obtrusive and costly in the highly industrialized countries. But the IAEA may not be able to establish any "double standard" within its own procedures. The best solution will probably be as proposed in the U.S. offer, to impose additional American government safeguards in Egypt and Israel as a supplement, while letting the IAEA in all cases use the standard inspection procedures it has been developing.

An Italian ratification of the treaty would logically become appropriate just as soon as the West German ratification is completed. Unfortunately, however, the Italian parliamentary situation is such as to make difficult the ratification of any treaty whatsoever, thus portending further harmful delay. As everywhere else, there are persons in Italy who will want such a delay, and who welcome the Indian detonation as one more excuse. But these persons for the moment represent no large constituency among Italian voters.

Then there is the wild-card case of South Africa, which has been a suspect near-nuclear nation for some years now—it has large reserves of uranium, it has enemies, it has declined to sign the NPT and it has periodically announced work on new uranium enrichment processes. Pretoria has not typically sought or needed attention; the less the outside world thought about South

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Africa, the better off the regime seemed to be. Under normal circumstances, therefore, the regime would not have chosen to detonate a bomb, even if it wished to acquire one. (No one needs to detonate any more to be reasonably sure a bomb will work.) If stopping detonations is at least an important aspect of stopping proliferation, South Africa might not have been considered a major source of trouble.

Now, however, if the Indian explosion came as a surprise to South Africa, a bigger and more important shock has surely been the fall of the Caetano government in Portugal and the ensuing promise of an early end to Portuguese rule in Angola and Mozambique. It is thus regrettably not to be ruled out that the combination of these surprises will make Pretoria more bomb-minded, and also detonation-minded. The Indian bomb puts a lot of noise into the system, with the unfortunate effect of confusing and thereby reducing the hostile foreign reaction that would have followed a South African detonation. If Pretoria felt badly pressed by events in neighboring territories in the next few years, it might thus see more gains and fewer costs in detonating a bomb to demonstrate its "ultimate deterrent." Much depends, of course, on how long the "noise" of Indian detonation persists; if no one else follows India's example, and if India detonates very few more of her "peaceful explosives," the possibility of a South African detonation may soon enough be restored to its full unseemliness.

VIII

Continuing concern is in order about Japan's attitudes on nuclear proliferation. Japan has signed the Nuclear Nonproliferation Treaty. While Premier Tanaka is believed to be in favor of getting the NPT ratified as soon as possible, important segments of his Liberal Democratic Party are opposed, and Tanaka's personal strength within the party is not as strong as it was. Continued delay in ratification may kill the treaty in the end; if it should die, voices might then soon enough be raised in favor of Japan exercising its nuclear weapons option. The Indian bomb clearly has not helped the NPT here, because it gives opponents of the treaty a ready-made excuse for further delay.

Much will now depend on how much attention the Indian bomb draws in the Far East, and especially on how much the Chinese government makes of it. If Peking were to seem enor-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mously impressed by the Indian detonation, Tokyo too might see a great deal of political clout in all this. But China's response thus far has been almost optimal—to give the Indian detonation virtually no mention at all. This is in great contrast to the Indian reactions to the first Chinese detonation; the contrast is of course largely due to the difference between a free press and a government press, but it also in part reflects the lesser importance the world accords to nuclear weapons in 1974 as compared with 1964.

China's stance toward India has been basically moderate for almost a decade now. Such moderation in the future can thus hardly be seen as the fruit of India's acquisition of nuclear weapons. If China were now to turn around and become very bellicose toward India, this might seem to demonstrate great significance for the Indian nuclear move. As things stand, however, a posture of continued Chinese equanimity and indifference to the Indian nuclear program can convey the lesson that nuclear club memberships aren't that big a thing anymore.

In short, to the extent that India may have hoped for new leverage in her relations with China, the evidence so far—as well as one's judgment of Chinese style in general—does not support such an expectation. Japan thus need not be impressed.

Moreover, the very comparison with China may have implications for the way India pursues her nuclear program. China made a strong impression in Asia and the world by achieving her H-bomb in only three years (from 1964 to 1967) after her first A-bomb. It took France eight years, from 1960 to 1968, to the considerable embarrassment of Paris. Can New Delhi be similarly embarrassed, as the world on second look rates Indian scientific prowess down, rather than up, on the basis of nuclear-weapons activity? This may supply one more good reason for the Indian government to stress, and repeat, and stick by its protestations that its nuclear-explosives work is entirely peaceful.

Finally, the example of China suggests one other line of action that the United States should now follow, for its impact not only in Asia (including Japan) but elsewhere. Just as China deemphasizes nuclear weapons even while continuing to keep them in her arsenal, the United States can play a role in cutting the apparent significance and value of such weapons. It already is doing so for some regions, for example by pulling nuclear weapons out of Taiwan and Okinawa. It can do more. This is not to argue for an explicit no-first-use policy, or for explicit endorse-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment of nuclear-free zones; the negotiation and litigation of such formal postures unfortunately are often so prolonged as to enhance, rather than diminish, the apparent significance of nuclear weapons. It is probably better, for example, to leave such weapons in place along the NATO central front, which may always be a special zone of American interest, a sort of "fifty-first state." Yet there are zones from which American tactical nuclear weapons might quietly be removed, and others into which they should never be deployed. One reacts with horror, for example, to a hypothetical news story of the future that American nuclear weapons would be deployed to Diego Garcia; what could be less conducive to the de-emphasis of "nuclear India," or for avoiding "nuclear Iran"? Similarly, one would like to see the day when it could be announced that there were no American nuclear weapons deployed in combat-prone Greece and Turkey.

IX

This article so far has been examining separately the nations which might be considered most likely to follow in India's wake. National psychology, regional factors and perhaps most particularly an overall sense of whether nuclear weapons add to prestige and felt power—all these elements come into play in the individual cases. Such essentially political reasons lay behind India's decision, and will probably always be primary in any national decision to go nuclear. At the same time, the picture that emerges at the present time is by no means devoid of hope, or of guides to action and attitude, particularly on the part of the United States.

It remains to look at the more concrete actions that might be taken to affect the practical capacity of nations to convert nuclear materials into weapons. With nuclear reactors likely to spread rapidly throughout the world, can the situation in respect to safeguards and deterrents be improved?

In discussions of the 600-megawatt reactors offered in the Middle East, as with American nuclear assistance to the Latin American states, or to India, or to any other country, one confronts an Administration rationalization that French or Russian or Canadian or other salesmen would quickly have moved in if the United States had not made the sale. More and more firms are learning how to produce reactors, and more processes are emerging for the enrichment of uranium for use as reactor fuel;

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Article IV of the Nuclear Nonproliferation Treaty in fact calls for as much sharing as possible of nuclear technology. When it makes a sale, the United States can at least be counted upon to insist upon better safeguards arrangements than France had with Israel, or Canada with India, or the Soviet Union with China. By making the sales, it is thus argued, the United States will additionally earn whatever foreign exchange and political leverage are involved; just as in the sales of conventional arms, some other supplier would move in to reap these rewards if we did not.

One does not know exactly how much to make of such arguments. It is true that the American monopoly on civilian nuclear technology has long been broken, and that its near-monopoly on uranium enrichment will not last much longer. France can promise enriched uranium to Iran and Japan, and will probably be able to deliver. But "probably" is the right word here, for the technological world does not always lend itself to such reliable prediction. At the moment it appears that there might be an interim shortage of enriched uranium, and a similar shortage of capacity for reprocessing plutonium, rather than any surplus. When the United States makes a firm promise to provide such services to Brazil, Iran, Israel or Egypt, this may have to mean that some other nations will be denied such services.

The American offer of reactors and fuel to the Middle East indeed advances the time when there will be reactors functioning there, and plutonium to be watched. The supply of nuclear technology has thus not become so redundant that the seller can no longer impose conditions or request favors. It may be very sensible to offer reactors to Egypt, to hasten the day when Egyptians can benefit from an ample supply of electricity; a little more affluence might be a very good tonic for the conflicts of the region. But adequate safeguards over the services provided cannot be shrugged off.

Because fuel may be scarce, and for other reasons, it should not be as difficult to align the suppliers as is often contended. Russia may have made mistakes in being too free with nuclear assistance to China; she did not repeat such mistakes in Egypt. Canada relied overly much on "gentleman's agreement" understandings with India, but intends to be tougher with Argentina. France made moves she was later to regret in giving an unsafeguarded reactor to Israel. "We got our fingers burned" is a cliché heard regularly from diplomats of each of these states,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

suggesting that tighter controls and understandings may be achievable in the future, precisely because all of these governments now will want them in genuine fear of proliferation.

More might now be done, also, on getting international operations under way in the fields of uranium enrichment and plutonium reprocessing, so that these critically sensitive operations do not settle into a typically single-nation pattern. France has a new President who shows some signs of being more arms-control minded than his predecessor. The aftermath of the Indian detonation is thus clearly a good time for a meeting of minds among all the potential nuclear suppliers, including France, Canada, the U.K., and the U.S.S.R., to see whether fingers cannot be burned a little less often in the future.

X

The provisions of the Nonproliferation Treaty stipulate that a Review Conference of parties to the treaty will be held in 1975. Before the Indian detonation, many Americans were convinced that this conference should best be played in as low a key as possible, since discussions of the burdens imposed by the treaty were likely to do more harm than good. For a time it was feared that the conference would become an enormous gripe session on the costs and inequities of IAEA inspection, but the working agreements reached between Euratom and the IAEA have now taken most of the steam out of this issue. Since nonparties to the treaty such as Brazil and India will not be formal participants in the conference, some of the broader anti-treaty issues they are prone to raise will not be much discussed.

A few commentators have now suggested that the conference should indeed straightforwardly be used to demand tighter IAEA safeguards procedures, to provide greater assurance that materials are not being clandestinely diverted by the governments involved. This "adversary" approach almost certainly would produce great resistance and bitter acrimony, however, and might indeed be a major mistake. As noted, the IAEA safeguards system did not fail in India, for the original Canadian-Indian agreement had not brought the Vienna Agency into the picture. If "outsider" IAEA safeguards are meant to work simply by their technical perfection, moreover, they are bound to fail, for some small measure of uncertainty has to remain if the safeguards are to be commercially acceptable in places like Sweden and Japan

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and Germany and Australia. Yet such safeguards can work well in such countries, precisely because they operate politically as well as technically.

The International Atomic Energy Agency has now accumulated some considerable experience in countries which have ratified the NPT, or which have accepted safeguards under earlier bilateral agreements between the provider and user of the nuclear materials involved. The safeguards have been designed and redesigned to avoid the twin pitfalls of inadequate reliability and excessive cost. They can never be technologically airtight. Nonetheless they can and will be tight enough to pose an undismissable risk that clandestine diversions of nuclear materials by the state in question would be detected. At the political level, the visits of IAEA inspectors moreover will be a continual reminder that the state in question has formally renounced its nuclear weapons option, that its international honor is on the line. Most governments will thus not be able to rule out the possibility that their own scientists might inform the IAEA inspector of an illicit project.

Are there other more useful purposes the Review Conference can now be put to, after the Indian detonation? Quite apart from whether the number of national entries into the nuclear club now grows past six, there are indeed serious unsolved problems in the area of "private" nuclear proliferation, problems which moreover need not be adversary issues between the United States on the one hand and "near-nuclear" nations on the other.

Specifically, it has recently been shown that any and all safeguards—IAEA, bilateral, or national—need improvement, in light of the growing risk that groups entirely outside the government will be able to steal plutonium for weapons manufacture in the future.[2] It should be pointed out that this is a particularly great problem within the United States itself, which is not required to come under IAEA safeguards because of any NPT provisions, but which has the largest nuclear energy complex and therefore the largest volume of plutonium in circulation.

No one really ought to sleep easily in light of the risk that the Mafia, or the IRA, or the Palestinian organizations will be able to steal atomic bombs in the future. Yet this risk is

[2] See in particular John McPhee, *The Curve of Binding Energy,* New York: Farrar, Straus and Giroux, 1974, and Mason Willrich and Theodore B. Taylor, *Nuclear Theft: Risks and Safeguards,* Cambridge, Mass.: Ballinger Publishing Company, 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bound to grow, even as the peaceful nuclear industries of nations grow. It is a risk, moreover, which would grow worse if additional nations decided to produce nuclear explosives; a finished bomb is easier to steal than raw plutonium. Proliferation to nations will thus almost certainly bring with it greater risk of proliferation within nations. For the United States to take this risk seriously is desirable in itself. To take it seriously, and discuss it seriously, is moreover to present an honest and powerful argument against additional national nuclear forces, and in support of the international safeguard systems that the NPT imposes.

The bulk of proper controls against private theft or diversion will have to be national. The Review Conference should thus be used to stress how much it will be in each nation's interest to have effective national controls, i.e., to be certain that plutonium is not being stolen for purposes the national regime would entirely disapprove of. If this risk is taken seriously enough, some of the concern about IAEA intrusion can dissipate. Rather than a suspicious outsider monitoring the actions of a government, the Agency can in part become a useful outsider helping the government monitor its own deadly resources.

One can brood historically about the extent to which the French nuclear program was launched by technocrats without any clear mandate from the French government. One might brood more about the episode in which Egyptian submarines set to sea to try to torpedo an Israeli liner (the *QE II*) on the orders only of the ruler of Libya. A very important aspect of dealing with proliferation risks will thus be getting each nation's house in order, instituting the kind of effective "command and control" that has been so much analyzed in the context of the American military.

XI

This has been a patchwork quilt of hopes that proliferation is not yet inevitable, even now that India has crossed the line with a detonation. The jerry-built nature of such an array may indeed induce substantial pessimism in the reader, who might have hoped that the spread of nuclear weapons could be stopped on the basis of man's reasonableness and common sense alone, or by an American technological monopoly alone, or on the legal basis of the Nonproliferation Treaty alone.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Proliferation *can* be stopped, or at least it can be slowed to a manageable crawl. It has been ten years since the last entry into the club; if its membership stayed at six until 1984, this would be no small accomplishment. Historically, some countries' appetites for nuclear weapons have grown over time; this may now unfortunately be true in Japan. Yet quite the opposite happened in Sweden, and may be happening in Germany, and, indeed, in much of the world. Proliferation postponed may yet be proliferation averted. Indifference can help to contain proliferation, because it makes some domestic electorates less bomb-minded, because it cuts the international prestige and political clout one earns by coming into the nuclear club. On the other hand, indifference would be a disaster if it meant that no one would pay much attention to erecting and maintaining the patchwork of measures still needed for containing the spread of nuclear weapons.

What is proposed here is a mixture of thin reeds, letting India into the club while denying her the full fanfare of the initiation, and persuading India to behave like other club members in closing the door behind her. The Middle East looks like an additional problem for the control of nuclear weapons, but with NPT ratification it might be turned around to generate some momentum again for the containment of proliferation. The suppliers of nuclear equipment are increasing in number, but after the Indian detonation they may also increase in caution. The Review Conference for parties to the NPT may be steered toward cooperation in preventing nuclear theft, and the very contemplation of such theft may increase caution everywhere about national proliferation. These may all seem thin reeds indeed; yet the combination of such reeds may still work to contain proliferation. To reject this combination would be excessively pessimistic. To do so might simply show a desire for simple solutions where only complicated solutions are workable.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COPING WITH FAMINE

By Jean Mayer

NEVER throughout history has there been a time when there has not been a devastating famine in some part of the world. In our lifetime, widespread starvation in Asia, Europe, Africa and Latin America has taken the lives of millions of men, women and children. We know that somewhere, this year, there will be a new famine—the result of war or a major national catastrophe. Already there is starvation in the Sahel area south of the Sahara, and the threat of renewed serious crop failure in the Indian subcontinent. The presently bad—and worsening—state of the total world food supply, particularly the depletion of grain reserves in the United States and the shortage of the fertilizers needed to maintain the "green revolution" as a result of high oil prices, leads one to expect that the extent of any new famine will indeed be catastrophic. Historically we have proved ourselves ill-prepared to cope with famines. How well can we hope to deal with them in an even less propitious situation?

Up to now, individual nations, international voluntary agencies, and especially official international organizations have dealt with the specter of mass starvation as an unexpected crisis—as something to react to when it occurs rather than as a likelihood to be planned for in advance. Prevention has been the exception rather than the rule; Bihar in 1966–67, to be discussed later, remains the lone shining example of a large famine averted. Moreover, we act on the occasion of each famine as though mankind had no collective memory. Whoever is faced with the present famine usually acts as though there were no lesson to be derived from the melancholy succession of previous famines and previous efforts to cope with them.

Yet previous famines should have left one beneficial residue: there are individuals and organizations that have acquired first-hand knowledge of successful—and unsuccessful—ways of coping. So little is ordinarily taught of the physiological, psychological and social problems arising in famines, and of their solutions, however, that each new group of physicians and administrators who are generally called upon to deal with a new catastrophic situation tends to repeat some of the classic errors of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

omission and commission.

Today, we need, and are technically able to create, an organization that institutionalizes human memory in dealing with starvation. Over time we have made discoveries in compassion as well as in management and technology. For many centuries starvation was essentially inevitable, largely because means of information and means of transportation were not at hand. That there was some food somewhere else on the same or another continent was basically irrelevant: there was no way of delivering it when it was needed or of distributing it to the starving. We now have the technology to keep the whole world under surveillance and transmit early warnings of impending shortages; we can transport the food to the area of famine. Therefore we have obligations that did not exist in past generations.

II

For action purposes there is a sharp difference between a state of chronic starvation, which is endemic in some sections of certain populations, and a true famine. However precarious their previous state of nutrition may have been, the people involved feel and act differently in a famine; they become acutely conscious that something of a different order of magnitude is happening.

A true famine is unlike anything else. It can be defined as a severe shortage of food accompanied by a significant increase in the local or regional death rate. In a chronic starvation area people may suffer and be crippled mentally and physically; in a true famine they die in large numbers.

Almost all recorded famines have resulted from widespread crop failures.[1] These, in turn, may be caused by drought, crop diseases or pests, the impact of war or civil disturbance, or a combination of disturbances hitting both crops and farmers, such as floods or earthquakes. All these four sets of causes have been at work in the famines that have occurred since 1950 alone: flood, drought and civil disorder in India and Pakistan; locusts and earthquakes in the Middle East; floods and dislocation of the agricultural system in China; earthquakes in Latin America (including the recent Peruvian disaster); and drought and civil war

[1] A notable exception was the Great Plague of 1345–48 in Europe, in which 43 million people are said to have died. In that instance, the massive epidemic came first, totally dislocating society and bringing on famine.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in Africa (the Sahel, the Congo and Biafra).

All of the causes of crop failure and famine are very much alive in the world today. The most threatening, and growing, is now drought. Some scientists are saying that changes in climate have shortened the growing season and reduced the rainfall that we may now expect in key areas such as India and northern Africa. Whether this is true or not, the large areas of the world where rainfall is highly variable and seasonal are inherently drought-prone. In Western Europe or New England a dry year differs from a wet year by less than 20 percent; in immense land areas elsewhere, the variation may be 80 percent, and drought years may alternate with years of flood, when gigantic continental rivers, swollen by excessive rains in the mountains, burst their banks and destroy all crops.

Apart from their climate and natural characteristics, many nations and areas are particularly vulnerable to famine by reason of lack of communications or social inequality. Chinese famines of the past were due largely to the then-primitive transportation system, and lack of adequate communication is a major aspect of the current Sahel famine. These problems exist in many poor countries. Virtually all such countries are examples of social inequality and of the resulting defects in nutrition for large sections of the population. It may be useful to remember that in as rich a country as Britain in 1935, with an average intake of 2,000 calories daily, at least ten percent of the population was underfed to the point of growth retardation, and 40 percent ate a diet that was demonstrably too low in certain vitamins. Obviously, in a country like Egypt, where biblical farming methods can still be seen in operation not many miles from the modern capital, social inequalities and malnutrition are even more acute.

To move from causes to consequences, by the above definition the main and most immediate effect of famine is widespread deaths from starvation. The number of deaths is a good index of the severity of the famine, and conversely a drop in that number an index of the effectiveness of the measures employed in combatting it. It has been observed repeatedly that in famines old persons and young children die first, and that women and adolescents tend to survive better than men (although adolescents suffering from prolonged undernutrition are particularly susceptible to tuberculosis). For purposes of dealing with a famine, "old age" starts at about 45 years old. From then on, there is a drastic

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

increase in mortality as compared with adult men and women below that age.

A second, and dangerous, consequence is the state of social disruption, including large-scale panics, that usually accompanies a famine. Generally people who are starving at home tend to leave it if they can and march toward the area where food is rumored to be available. As a result, families are separated and children are lost. The small children often reach a suicidal state of mind from self-inflicted starvation, refusing to eat because of their grief at the absence of their parents. Adolescents, finding themselves on their own, band together in foraging gangs that create further disruption. (Prolonged and successful practice of banditry also makes members of these gangs difficult to rehabilitate when the famine is over.) This breakdown of the social order makes any relief measure that much harder to put into effect.

Contrary to popular belief, however, famines (and, for that matter, prolonged severe undernutrition) are rarely accompanied by revolution. The gravely underfed usually are too feeble and too preoccupied with problems of immediate survival to summon up the energy, single-mindedness and organization required to initiate and follow through with a revolution. The type of disruption accompanying famine is more likely to entail a large number of unconnected antisocial acts, or, at most, regional jacqueries. In turn, revolutions are more likely to take place when food has been again available for some time, but while the memory of the actual or supposed corruption or incompetence shown by the government in dealing with the famine is still fresh. The experience of flood in Pakistan in 1970 contributed directly to the secession of Bangladesh in 1971.

A third common catastrophic result of famines is the spread of epidemics. The combination of physiologically-weakened human organisms and a disrupted social organism, with the attendant breakdown of public-health institutions and crowding, lends itself to the explosive spread of infectious diseases. Louse-borne typhus has been the traditional post-famine disease of Europe, cholera and smallpox the post-famine diseases in Asia, although plague, influenza, tuberculosis, relapsing fever, and many other diseases have also followed famine. When famine is due to a drought, malaria is not usually rampant at the same time, but is often deadly on a particularly large scale when the rains finally come.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

One last, long-term, consequence of many famines is the death of large domestic animals, often on a greater scale than that of humans, and the destruction of seeds for future crops, making it more difficult for farming to return to normal when the famine is over. (The Sahel famine is the most recent example of both points.) If one is to speak of coping with famine, one must include follow-on measures to restore the food supply and rehabilitate the area—or if this cannot be done, to resettle the population elsewhere.

III

To one degree or another, any famine situation has an element of politics. The nation or nations that contain the famine area must summon large quantities of help, which in an India or a China may come from other parts of the same country but which must usually come from outside. Thus international official organizations, notably UNICEF, the Food and Agriculture Organization (FAO) and the World Health Organization (WHO), are almost always involved at an early stage, while international voluntary agencies (such as CARE and church groups) may become substantial sources and channels for relief. Finally, there are the individual outside nations that alone can furnish really large quantities of food, medical supplies and transportation.

Unfortunately even a crisis such as famine does not mean that all these various political bodies necessarily work in harmony either with each other or within themselves. For professional men trying to get on with the job, these political frictions are acutely painful; I shall say more about them later, especially in discussing the good example of Bihar and the rather grim one of the Sahel, and the lessons to be learned. Suffice it for the moment to make the obvious point: some adjustment and cooperative arrangement between the political entities involved is the first essential for coping with a famine—if this is smooth, all else becomes much easier; if not, the drag is immense.

The second obvious requirement is the procurement of food in amounts adequate to stop the developing famine, maintain the population in balance, and eventually rehabilitate the population. Food must be obtained through buying or otherwise acquiring it and moving it to the affected area. In spite of the efforts by some of the leaders of FAO, such as John Boyd Orr and André Mayer in the late 1940s, a World Food Bank or regional food banks for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

emergency situations have not yet come into existence. There is thus no universal and automatic pathway for famine relief. In the past, the availability of large surpluses of cereals in the United States, Canada, France, and other countries made relief possible; yet in spite of the creation of such national organizations as Food for Peace in the United States, the actual process of relief was often slow and cumbersome. Now the sharp reduction in North American food surpluses has created a potentially serious situation for famine relief efforts.

The third fundamental element in any famine relief effort is a clear-cut line of command and assignment of responsibility. Even under the most advantageous political conditions, in a country at peace and with a stable government, starvation causes intense political pressures. Typically, the opposition says poor government planning is the cause of the famine, government incompetence and corruption the causes of its continuation. Government sources accuse the opposition of presenting a picture far worse than the reality, of minimizing the effectiveness of relief efforts, and of starting disruptive rumors which further complicate the carrying out of relief programs. Unlike the more distant government authorities, relief personnel rapidly find themselves in the middle of a difficult argument, in which they present the government's side to the victims, while they vehemently take the victims' case to the government. Even in a democracy, a famine is a special situation.

For these political reasons alone, the local authorities are usually in a poor position to run a relief operation properly. Moreover, such an operation, if it is of any significant size, requires able, decisive leadership with high managerial skills. Thus I, for one, am convinced that by far the best method of organization is to have the relevant political entities come together in the appointment of a single "relief dictator." Even fairly ancient history (to younger people) teaches us something here: Herbert Hoover's total control of relief to Belgium and Germany after World War I was by common consent largely responsible for the high degree of success of this pioneer effort in a threatened famine situation.

There is every possible advantage in the "relief dictator" being a member of the government or a high official of the country in the territory of which the famine is taking place. The U.N. country representative, or a person specially designated by the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.N. Secretary-General, can then coordinate, under the leadership of the relief chief, the work of the U.N. organizations and of the voluntary agencies. If a person not a citizen of the recipient country is put in charge, he should be detached from any previous tie—whether he comes from an international organization, a contributing nation, or one not directly involved. And while relief workers have to be dependent for pay and support on some single nation or organization, they should operate under the overall direction and control of the single director of relief. This would apply to the whole range of activities necessary to the relief organization, subject only to the obvious need to depend on cooperation from local government authorities who might be working at tasks (like running a railroad) not exclusively directed to the relief task. Similarly, although the director's word should ideally amount to a command to the supplying nations and organizations, in practice he (or she) would be dependent on their cooperation especially with respect to the furnishing and delivery of food and supplies as far as the affected area. For the most part, the commander of a relief operation must be on the spot.

IV

Whatever the command structure, the most immediate priority for the local administrator (or the representative of a benevolent power or organization) is to get a clear picture of the situation. With much of the structure of society breaking down, with rumors flying, with government sources generally minimizing the extent of the catastrophe and anti-government sources exaggerating it, it is often difficult to know where the most pressing needs are and what the scale of the need is. Certification of causes of death may be incomplete and late. Data on births may be unobtainable. The weakest persons, children and the elderly, in particular, may be staying indoors, so that the casual observer, seeing only adolescents and young adults walking about, may not realize the scope of the disaster.

All administrative and social agencies must be mobilized to gather and check statistical information. Hospitals and other health agencies must be asked to report causes of death as quickly as possible so that any increase in numbers of deaths due to starvation and the appearance of any deaths from epidemic infections can be detected early. Hospital admissions, numbers of per-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sons in relief camps or in relief stations, are also important data. The rapid acquisition and analysis of such information are essential. At the same time, economic information is equally necessary: food stocks, prospects for harvest, rolling stock and trucks, fuel, repair shops, the state of roads and communications, money in private and governmental hands, and prices—all need to be followed closely.

Hence, the first requirement for a relief staff falls under the heading of *intelligence*. For this, enough persons with field training in statistics and epidemiology are needed, and use must be made of medical and paramedical personnel, teachers, and welfare workers for the rapid acquisition and analysis of information. Here computer techniques can be invaluable if the computers are manned by alert practical-minded personnel.

The next major job is of course the *distribution of food and medical services*. Here both method and personnel require comment.

Historically, distribution of available foods has been done through several methods. In the nineteenth century, and the first half of the twentieth, governments often attempted to improve the situation indirectly by conveying food to the merchants through the normal channels of trade, and making money available to the starving populace through public works projects. This policy was consistent with Adam Smith's laissez-faire philosophy, and enjoyed a certain degree of success when the shortages were local and foreseen. It failed miserably in large-scale disasters, such as the potato famine in Ireland, or the Bengal famine of World War II.

In such cases, it is a classic example of an error of commission. This method of relief benefits least the most vulnerable groups—the young, the very old, the pregnant and nursing women. In addition, the energy expenditure of men involved in the public works is increased, not only through the caloric cost of manual labor, but also because such works, usually road building, take place at some distance from their homes. The work is rarely useful: important public roads and other projects cannot be devised and executed properly on the spur of the moment. The roads usually lead "from nowhere in particular to nowhere in general."

Instead, the preferred method of food distribution should be to set up as many distribution points as possible close to the centers of starvation. These may pass out food commodities or pre-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pared meals, and provision should also be made to allow such food to be doled out, under supervised conditions, to patients too weak to leave their homes.

The feeding system would deal with the particular local situation: food must be acceptable to the people in terms of food habits and religion. It should include special foods for special needs, also determined by the local situation. It would consist of a limited number of items, high in nutrients, and easy to transport, store and distribute.

Similarly, medical services must be decentralized just as much as possible. A large but distant hospital is an invitation to migration and thus makes relief more difficult. The creation of a mass of small "famine hospitals," even though they may be staffed only with auxiliary personnel and medical students, has proved to be invaluable in checking panic, vaccinating, delousing, disinfecting, distributing insecticides, informing the administration, and taking care of the greater number of the starving sick.

To man any system of distribution, both specialized and general-purpose personnel are needed. Obviously nutritionists and food scientists are important. Medical and public-health personnel should be used to working under difficult field conditions, and to diagnosing and treating those diseases which arise as the machinery of society breaks down. While a physician normally concentrates on the most gravely ill patients first, and then cares for those less affected, in a famine the goal is to keep alive as many as possible, and this may mean that a severely limited amount of time and attention may be given to desperately ill patients. The physician may have to learn to delegate much heavier responsibilities to medical students, nurses, or even intelligent laymen, than he would normally do. Here and all through the relief organization, there should, of course, be maximum use of local nationals who are still able to work.

This calls for a word about priorities in rationing. Ideally, food should be distributed (usually on a family basis) giving special consideration to the following priority groups: (1) the most physiologically vulnerable; (2) the main work force; and (3) the relief and administrative personnel. Inasmuch as intense work is going to be asked of relief and medical personnel, and because they will also have access to food in transporting and distributing it, it is unrealistic to expect a lot of work from people who are hungry and not expect them to worry first about

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

themselves and their own families. Rather than have food disappear in all sorts of ways, it is better to have a policy in which rations are set midway between what these people would take on their own and what they would receive if they were on the same level as everyone else. You can then hope that this rule can be enforced.

The second aspect concerns an opposite effect. Experience has shown that particularly when you are dealing with conscientious and compassionate nurses, medical students and young relief personnel, you may actually have to *make them eat*. Otherwise your whole relief system disintegrates.

The next heading is *logistics and communication*. Sooner or later, transport becomes the limiting factor in any relief operation. Maintenance personnel are as essential as logisticians and drivers. Spare parts may have to have priority over food in some areas. I can think of no better way to turn swords into plowshares than to employ some top military personnel in this group. One thing a good general staff officer knows supremely well is how to move a lot of material and equipment and personnel in difficult situations and in a great many different localities.

In all this, it is vital not to neglect the importance of *economic controls*. Price control is an essential measure. Failure to institute or to enforce it vigorously is a classic example of error through omission when dealing with a famine. Without such controls, high prices discriminate against the persons most in need. Furthermore, inflation will create a motivation for traders to withhold food at what would normally be the end of the famine, in hope of perpetuating high prices.

We have already seen the need for economists in monitoring the famine, and the progress of relief. While a relief effort should never be directed exclusively by economists to the exclusion of nutritionists and public-health personnel, it is just as absurd to plan relief operations without considerable advice from different types of economists.

It is also crucial to maintain *law and order,* to prevent looting and other abuses. This means that local police units, like the relief and medical personnel, will be expected to contribute intense work, and should also be given preferential treatment as regards food distribution. The relief organization needs personnel for liaison with civil authorities, the police in particular. Police, as well as other civil authorities, are invaluable in carry-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing information flow in two directions: from the field to the central planning office, and back from the central authority to local authorities, to field personnel, and to the populace.

Finally, even while the crisis is at its most acute stage, planning should be going forward for *rehabilitation* and even development of the area. We should be fully cognizant that relief is not always enough, particularly when the situation is not transient, but of long-standing, as is the case in the Sahel. Long-term rehabilitation and development plans are essential, and it is equally essential that they not be conducted by personnel who are either unfamiliar with the local problems, or too highly specialized to take the entire situation into consideration. Rehabilitation and development are interlinked; whereas at the height of a famine both untrained enthusiasts and overspecialized experts can make significant contributions under competent supervision, for these broader tasks we require personnel with a global view as well as those with a specialized competence. People with backgrounds in soil management, development economics, agricultural economics, home management, and employment training come to mind.

All in all, a relief operation is an immensely complicated undertaking. In describing what is admittedly an ideal form of organization, I have left out any number of refinements that might be mentioned. Even the fundamentals I have listed are, unfortunately, terribly hard to achieve in practice. Let us look at a good case of famine relief and then at the relatively deplorable Sahel performance still underway.

V

A fine example of coping with and containing a famine was the national and international effort during the famine in India during 1966–67. What the Indian Ministry of Food and Agriculture feared would be "a natural calamity of a magnitude unknown in recent times" became instead the object of what *The Washington Post* later described as "one of the biggest and most successful relief operations ever undertaken." Of all the subcontinent, the eastern Indian state of Bihar was most affected by the drought and subsequent famine, and it was here that the relief activities were concentrated.

Bihar had at that time the second largest population of the Indian states—roughly equivalent to that of France. Its economy

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was, and is, almost entirely agricultural; about nine-tenths of its 52 million people were engaged in farming, and of the 27 million acres in crops, less than one-fifth were irrigated, and of these only about seven percent from sure sources. While Bihar sits on one of the world's largest reservoirs of ground water, digging of wells and irrigation schemes had been postponed or delayed for almost a decade; when the monsoon failed for two years in a row, crop failure was inevitable. Over the two-year period, Bihar fell short of needed grain by almost 30 million tons. Reserves of food grains, including those necessary for seeds, had been mostly consumed; the crop of the fall before was at best one-fourth of normal, the spring crop only one-half. In addition, the Bihar state's administrative apparatus was relatively unsophisticated, and it had no child-feeding program which could have been used as the base of a relief effort.

However, when the famine began, there were some bright spots. During the lesser drought of the previous year, the Indian government had set up fair-price shops and practiced the logistics of importing and transporting large quantities of grain; voluntary agencies had acquired experience in setting up mass feeding programs. Bihar itself had adequate storage and transportation facilities and an administrative structure that lent itself, especially in the Education Department, to relief operations. Moreover, ever since British times the Indian government had placed in the hands of its officials a comprehensive elementary guide to the handling of famines, called a Famine Code.

The basic priority of the Indian government was to obtain and dispense sufficient food. For this, three outlets were used: 20,000 fair-price shops distributed grain at fixed, subsidized prices; ten ounces of free grain were distributed each day to each aged or infirm person; and a child-feeding program provided one free meal each day to six million children and mothers. Members of the government, vividly aware, some of them for the first time, of the long-term personal and social effects of malnutrition, not only tended to favor the children in relief programs, but also speeded the development of a cereal-based, high-protein food, Bak Ahar, processed and packaged by Indian industry and distributed by the Indian government.

In the Bihar famine, the need for water was as great as the need for food. Lack of water threatened to cause the mass migration of villagers, thus destroying the food distribution system, in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

addition to posing health hazards in the hottest months of the year. To meet this need, the government began a program of well-drilling—some of the wells to be permanent, the rest of a more temporary nature, but each providing drinking water and irrigating half an acre of land through the driest period of the summer. Further needs for water were met by establishing an elaborate transport system, comprising modes of travel from railways to bullock carts.

Remembering the high death toll from cholera and smallpox during the Bengal famine of 1943, the government also disinfected wells and set up an immunization program. The response of the American government to the Indian request for vaccine, incidentally, was a model of promptness and efficiency—vaccine, injectors, and innoculation specialists to train Indians in their use arrived at Delhi five days after the formal request was made.

The government set up an information network that transmitted data by telephone or telegraph to a master control room where they were charted to give day-to-day information on food stocks and prices, water levels, disease rates and deaths, the numbers of people at free kitchens and on work projects, even the rate of local food looting. From this control center, field workers and the population were kept abreast of the changing situation by short-wave and public radio.

In addition, the government undertook to provide millions of dollars in loans to the Bihari farmers for the purchase of seeds, fertilizers, pesticides, and farm animals to rejuvenate the economy and prepare for the 1967–68 crop.

In all these efforts, the local Bihari government and the federal government of India were supported by supplies and cooperation from other nations, the United Nations, and international voluntary organizations. CARE alone set up 27,000 school feeding centers in Bihar to provide free meals to children and nursing mothers; the United States contributed one-fifth of its wheat crop.

In the end, the famine was contained. Instead of the millions of deaths predicted, the highest of the fairly reliable estimates was only a few thousand. It appears that among the poorest segments of society many were better fed during the famine than before—or perhaps afterward. The success of the emergency feeding program, especially in the health of the Bihari children

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(they were fed milk, and foods and food supplements high in protein, iron and other minerals, as well as vitamins, under fairly close supervision), led to a long-term commitment by the Indian government to the nutritional needs of the population. Even the work program, which certainly resulted, in some cases, in roads leading to and from nowhere, also sparked projects for more and better irrigation, field leveling, more efficient farming methods with higher yields, and better water conservation.

Despite the resolve of the Indian government to fight this famine with every possible resource, however, the struggle would have been hopeless without the dedicated cooperation of the international community. And even under these "ideal" conditions, as Alan Berg has pointed out, this "constitutes the first time in modern history that a government declared war on large-scale famine—and won." Despite its triumphant note, that is a melancholy statement.

VI

It is especially discouraging if we contrast Bihar with the disaster still taking place in the Sahel region in Africa. The area, just south of the Sahara, stretches from the west coast across the waist of the continent: about 4,000 miles across and 1,000 miles deep—approximately one-fifth of Africa. (Although Ethiopia is not geographically a part of the Sahel, it shares its climate and its problems.) The population of this area of advancing sand and dwindling vegetation has been estimated at about 50 million. About one-third have been affected by the drought; U.N. Secretary-General Waldheim estimates that as many as ten million people may be facing starvation throughout the area.

In all these figures, "estimate" is the proper word, for although there are many settled farmers in the region growing subsistence crops of sorghum and millet, the population is primarily nomadic, moving with their herds through the Sahel along centuries-old grazing routes. Even with sophisticated administrative machinery and experienced personnel, it would be difficult to determine the condition and needs of a population in motion. The governments of the Sahel area are newly independent, have very few highly educated or technically-trained personnel, and no administrative infrastructure ready to cope with the drought. (Ethiopia, of course, until recently existed as a medieval kingdom, and until U.N. officials and the world press forced it on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their attention, the corrupt government of Premier Wold had refused to recognize the existence of the famine except as a money-making enterprise. Indeed, students had been killed in demonstrations asking help for the starving peasants.)

Of the 12 new African nations in the Sahel area, Mauritania, Senegal, the Sudan, Mali, Upper Volta, Niger and Chad are severely affected; and, to a lesser extent, Ghana, Togo, Dahomey, Nigeria, and the Central African Republic. Except for Nigeria, which is growing wealthy from its oil deposits, these are among the poorest nations in Africa. Niger's gross national product is $80 per capita, Upper Volta's only $60. And, in fact, their attempt at development of the Sahel in the 1960s was a precipitating factor in the subsequent disaster. Like Bihar, this area lies on a large reservoir of ground water. Much of the foreign-aid program consisted of digging small power-driven ground wells; in a dry area, this would seem logical. However, the water could not be used to expand irrigation and production of millet and sorghum, but instead went to support increasingly large herds of cattle, particularly goats, belonging to the nomads. No provision was made for increasing the supply of feed for the animals, or of food—other than milk and meat from the cattle—for the growing human population, made possible by the beginnings of public health care in the area.

When, five years ago, the yearly rainfall decreased to less than half of normal, the herds competed for increasingly scarce vegetation, the nomads cut trees to provide more feed, and the voracious goats ate even the roots of the plants, destroying growth permanently. Animals began to die of starvation around the waterholes. Finally even the farmers, faced with the seemingly inexorable southward march of the Sahara itself, and the devastation of the nomads' herds, deserted their hamlets in increasing numbers, until few are now left to plan or tend next year's crop even if the rains should not fail again. If the population remains, the European Development Fund estimates that even with adequate rainfall there will be less food per capita in 1982 than there was in 1973.

Even where the effects of the drought became obvious to the governments of the Sahel, they were slow to act for a number of reasons. As I have said, they have few resources and few technically-trained personnel; there is no inter- or even intra-government mechanism for dealing with drought; there is very little co-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

operation among the 12 nations, and no tradition of worrying about the fate of some elements of the population—particularly the nomads. Rather, there is a long history of conflict between the nomads and the fixed agriculturalists.

Today's nomads are descendants of Arab slave traders, who for over two centuries had preyed upon the other residents of the area; until the French colonialists left Africa, they maintained a series of forts in the Sahel to prevent nomadic brigands from raiding the settled inhabitants. In the light of this history, as long as the drought affected primarily the nomads, there was a strong tendency to ignore it. It was only when the refugees, nomad and subsistence farmers alike, began piling up in the towns, starving and ill, that enough publicity was given to the death of cattle and people to inspire (or impose) relief programs.

Over a year ago, the Sahel governments finally set up a relief-coordinating committee, designed to distribute supplies from the international community to the individual nations, and to estimate and plan against future needs. However, the committee has been given no decision-making authority, so has been able to do comparatively little to help the situation. What coordination of relief there is (and it is better than in some previous famines) has been done through the FAO. However, the large sources of supply, from the United States, France, and the Common Market countries, exist autonomously, and are still not terribly well coordinated. (I would like to add here that by far the most important and effective help has come from the United States. All reports I have received, both as a member of the United Nations' Protein Advisory Group, and as Director of the Child Nutrition Task Force for UNICEF, indicate that it has been given efficiently, modestly, and on a considerable scale.)

While there has been considerable criticism of the FAO Early Warning System, it would be more accurate to say, not that the system did not work, but that it was not heeded—either by the Sahel governments or by the international community. The climatic changes were certainly known. International airlines keep careful tabs on all changes in weather patterns and had informed the International Air Transport Association of the changes. The elements of knowledge were present, and there were warnings. That they did not result in action must be considered primarily due to a lack of interest on the part of the local governments, which, after all, must bear the first responsibility

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for the welfare of their own citizens.

However, in the final sense, it must also be said that neither France nor the United States, which had traditional or special responsibilities in the area—France in the Sahel and the United States in Ethiopia—did all they should have done to educate the local governments, either in competent administration or in the fact that a state must be concerned with the needs of every member of its population.

I may add that a sensitive early warning system should not only comprise information on climatic changes and the economic base. The report of the U.N. Task Force on Child Nutrition will recommend that there be regular, careful examination of the state of health of the children in a given area, since this is the most sensitive indicator of any change for the worse in the health of the general population. It also has the advantage of differentiating among population groups and economic classes. The poor in any area are generally worse off in respect to health and nutrition as in most other aspects of life. The state of their children's health will make visible their increased needs, even when the rest of the population, as in Brazil at the present time, has not suffered deprivation.

Even had the relief effort been as knowledgeable and well-organized as that in Bihar, however, the situation in the Sahel presents a much more difficult task. The distances in the area are gigantic. Transport of all kinds is inadequate. There are four old rail lines going up from the western ports to the southern part of the drought area. What roads there are are attacked by sandstorms in the dry season (so that driving is much like plowing through a succession of snow drifts), and washed out by rains during the rest of the year. In such conditions, maintenance is a huge problem—as always in dealing with a famine, a limiting factor is lack of spare parts and trained mechanics. To best utilize this transportation "network" such as it is, food and medical supplies from overseas should be shipped to the African ports in preagreed tonnage, planned for the dry season and the carrying capacity of transport; otherwise food piles up in the receiving areas and is partially destroyed by pests before being moved. So far, however, with difficulties of communication and coordination between international donors and the Sahel governments' relief coordinating committee, this has not been possible. This year, as last, much of the distribution is being done by airlift, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fuel competing with supplies for transport space and available funds.

At present, it appears that there are quite adequate supplies of food in the main cities, but the relief efforts have not solved the problems posed by the Sahel famine. Looking to the future, it is by no means clear what we are actually dealing with. Is it an irreversible natural phenomenon—the downward drift of the Sahara, coupled with the failure of the polar air mass to move as far north as formerly? If this is the case, then it is pointless to try to rehabilitate the Sahel. It may as well be left for dead, and its residents resettled in other areas.

Or is it an ecological catastrophe, for which the sudden explosion of the nomadic way of life is responsible? If this is so, it may be possible to reclaim the Sahel by revising aid programs. Instead of the small wells, dug primarily to water animals and the human population, large irrigation projects may renew and expand farming in the area. But it will be necessary to persuade the nomads to limit their herds, particularly the goats, and to recognize the relationship between their actions and the well-being of their environment. From all indications so far, this would be no easy task.

Or is it a complicated mixture of both causes? Before we can act wisely, we must know. So far, the Sahel has provided another tragic example of how not to approach development aid, and how not to deal with a growing famine.

VII

We should not leave a discussion of recent famines without at least a brief notice of the worst of all—the situation in which war is the cause, and where one or more of the combatants may argue that it is an "internal matter." In such cases the humanitarian instincts of the international community may be dulled by political motives. There is essentially no chance, under the present conventions of international behavior, for a war-related famine to end anything but tragically.

The war in Vietnam and Cambodia is not yet over. How much permanent damage to the food supply the years of defoliation have done is now under investigation. The famines in Biafra and in 1972 in Bangladesh are of very recent memory. In the case of Bangladesh, the government itself, although new and untried, did relatively well at coping with the situation, in spite of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

disorganization and disruption caused by the war. The expertise of the Indian government was also a big factor. International aid to Bangladesh was hampered by the fact that more than one government was involved, each with its own foreign policies to protect or further. The U.S. government did relatively well with its relief effort, but while it was useful, it was in this case not really a deciding factor.

Biafra was a more difficult situation. Although the Biafrans had their own territory and government, the international community persisted in considering their rebellion, at least officially, as an internal affair of the Nigerians. The United States, fearing that giving aid to the Biafrans, even for famine relief, would be considered a hostile act by the Nigerians, gave food through UNICEF and the Red Cross, but tried not to be involved. Although the Biafran government was competent and attacked the problem with organization and imagination, there was little it could do against the Nigerian blockade and the indifference of other nations.

As one who was closely involved in the relief effort, I can state that much more could have been done had the United States and other national governments not lacked the courage. Even most of the U.N. organizations, in particular FAO and WHO, were as afraid of interfering as the United States. Indeed, in some instances they went to fantastic extremes not to be involved. UNICEF, alone of the U.N. organizations, worked without favor on both sides of the battle lines. And it is interesting and, I hope, instructive, that as a result it now has increased prestige and popularity throughout Nigeria, and elsewhere. This is a deserved tribute to the mixture of courage and goodwill that should have been uppermost in the entire international community even during a civil war.

Bangladesh is independent, Nigeria is at peace. Yet surely we need not repeat either of these man-made catastrophes.

While all men of goodwill recognize the need to outlaw chemical and biological warfare, is this enough? Both of these are indiscriminate in their effects, jeopardizing civilian bystanders as much as they do armed enemies. I would like to propose that starvation be similarly outlawed as a legitimate instrument of war, on the ground that it is worse than indiscriminate: it preferentially attacks small children, pregnant and nursing women, and the elderly.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Although starvation has been repeatedly defended by general staffs as an effective military weapon, history does not bear out this assertion. Sherman succeeded in arousing animosities that last to this day; it was the defeat of Robert E. Lee in battle that ended the Civil War. The French lost the Franco-Prussian War at Sedan and Metz, in the Loire Valley and on the Swiss border, while children died by the hundreds in the siege of Paris—and the garrison held. The German armies, during World War I, never lacked for abundant food, even while the Allied blockade was causing a high mortality from malnutrition in Berlin and Vienna. The children of Leningrad died by the tens of thousands in World War II, yet the Red Army kept its food supply going, and eventually broke out of the siege to join the advancing relief task force.

Yet for all this evidence, the attempt to starve enemies into surrender goes on. There is no sign that the crop destruction in Vietnam or the food blockade in Nigeria has had a decisive military result. As we have just seen, the effect on the civilian populations, particularly in Nigeria, was devastating.

The facts are that young, adult men are physiologically the most resistant to starvation, and that armed men rarely starve, particularly as they can always justify their requisitions by the nobility of their cause.

An international agreement to outlaw starvation as a weapon of war should be supplemented by one empowering suitable international organizations, such as UNICEF, the Food and Agriculture Organization, or the World Health Organization, to enter a famine area to feed the non-combatant victims of starvation without prior authorization. How many large-scale disasters do we need before we learn that famine and pestilence are not purely "internal problems"? The time has come when, through international agreement and action, man-created famines should be eliminated. Any use of starvation as a means of pressure or punishment against individuals in small or large population groups is a violation of the rights of man.

VIII

What more can we do to deal with famine? Apart from the specific suggestions contained in the body of this article, there are certain central steps that could much improve relief performance in the future.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

At present the FAO has a warning system, and a small U.N. office has been set up in Geneva to keep track of impending famine (and other disaster) situations and of available relief resources. However, the impact of this office is still essentially negligible.

I believe we must have, on the international level, a much stronger system not only to warn of famines but through which the United Nations and international voluntary agencies, along with all interested nations, could keep each other informed as to their preparedness and plans for cooperation. There should be a permanent secretariat of an international relief organization devoted solely to famine relief, which will keep up-to-date records on available relief resources and continually add new data that may be relevant to predict any disaster. The office should be counseled by an advisory body consisting of experts with wide experience in this field. This group would be "on call" for rapid assessment of an impending disaster situation in order to estimate when there would be a need, and what the needs would be. Some of the members would have the highly important task of recording the ensuing operations for a later review of their effectiveness and efficiency.

A principal continuing task of such a central organization should be that of training. Here there is the greatest lag when a crisis occurs. Regional workshops arranged by the international organization should be held to train persons who would then conduct training courses in their own countries. Each country also should train a cadre of personnel who would remain in their normal jobs but be available for disaster and famine relief work.

Inasmuch as coping with a famine is not unlike a military general staff exercise, it is possible to utilize some of the methods of preparation and education that have proved to be helpful in such staff training exercises, such as conducting paper-based maneuvers, where a hypothetical situation is created and the staff is asked to write in sequence the orders that are considered to be responsive to the information, with the "umpires" manufacturing new information as needed for the development of the exercise. Using modern technology, computer-simulation exercises could also be devised.

Finally, I would recommend that a suitable manual be prepared for governments and relief agencies, both to guide relief activities and to facilitate training, along the lines of the long-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

standing Indian Famine Code. In effect, this manual would be a loose-leaf notebook, based on recent experience and continually brought up to date. It should give general principles, supplemented by national, regional and local notes adapted to each local area.

Next, on the external level, donor governments should have a permanent coordinator of foreign aid (as the United States does in the AID organization). Internally, governments should have a permanent secretariat or office for national relief coordination, at the level needed to get prompt action through the government. The body should be headed by an influential person, who would maintain close liaison with other ministries, voluntary agencies, and so forth, which might be involved in dealing with any disaster. In normal times, the secretariat's duties would be to keep up-to-date information on national resources for use in time of disaster and to serve as contact with other national and international bodies.

Such organizational steps will not accomplish miracles. As the Sahel experience has sadly demonstrated, the capacity of local government sets limits on any relief effort. But a well-organized world community could make a big difference. The creation of the embryonic International Disaster Organization in the office of the Secretary-General of the United Nations is a beginning, but much more needs to be done: a solid, though small organization, a "reserve" of trained relief workers, manpower at the international and regional levels to educate national and international civil servants to deal with the many variables in a famine.

In addition, a world food reserve must be created, along the lines proposed by Director-General Boerma of the FAO, and recently endorsed by many witnesses at the Senate Hearings on a National Nutrition Policy. Incidentally, the bulk of the reserves are best stored in cold countries (probably in the countries of such food producers as the United States and Canada) with regional stocks and possible diversion of grain ships at sea used to ensure the flexibility needed to take care of emergencies. As part of this preparation, it is obviously necessary that we reevaluate our national and international economic policies in regard to food. That this necessity for survival is no longer to be treated solely as a commodity for international exchange is shown by the convening this November of the World Food Conference which, we hope, will function at the very highest governmental level.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the end famine is, of course, only the highly dramatic and destructive extreme example of malnutrition. Indeed, in this article I have found myself writing of rehabilitation after a famine as though the effects of malnutrition on Man were reversible. This may not be the case even for adults. It certainly is not the case for malnutrition affecting infants during the critical growth of the central nervous system; no amount of later education or training may be able to make up for such damage. The problem of malnutrition is much broader than that of famine alone; in terms of stunted lives and coldly economic costs, its impact may be even greater. Any wise efforts for development must seek to ensure that (as is not at all necessarily the case in many countries today) economic growth means at least equal increases in the nutritional levels of the poor.

We now live in a much smaller world, from which some of our contemporaries have stepped out to look at the space ship in which we are all traveling. There is greater realization that all human beings are born equal and are of equal value. However, we have not arrived there yet. Let us hope that we have at least reached the stage where famine, wherever it takes place, however it has arisen, is seen as the enemy of Mankind. For us to feel that way, and to act effectively, we need to educate ourselves in compassion, as well as in technology.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MULTINATIONALS AND DEVELOPING COUNTRIES: MYTHS AND REALITIES

By Peter F. Drucker

FOUR assumptions are commonly made in the discussion of multinationals and the developing countries—by friends and enemies alike of the multinational company. These assumptions largely inform the policies both of the developing countries and of the multinational companies. Yet, all four assumptions are false, which explains in large measure both the acrimony of the debate and the sterility of so many development policies.

These four false but generally accepted assumptions are: (1) the developing countries are important to the multinational companies and a major source of sales, revenues, profits and growth for them, if not the mainstay of "corporate capitalism"; (2) foreign capital, whether supplied by governments or by businesses, can supply the resources, and especially the capital resources required for economic development; (3) the ability of the multinational company to integrate and allocate productive resources on a global basis and across national boundaries, and thus to substitute transnational for national economic considerations, subordinates the best national interests of the developing country to "global exploitation"; (4) the traditional nineteenth-century form of corporate organization, that is, the "parent company" with wholly owned "branches" abroad, is the form of organization for the twentieth-century multinational company.[1]

II

What are the realities?

In the first instance, extractive industries have to go wherever the petroleum, copper ore or bauxite is found, whether in a developing or in a developed country. But for the typical twentieth-century multinational, that is a manufacturing, distributing or financial company, developing countries are important neither as markets nor as producers of profits. Indeed it can be said

[1] The author acknowledges his indebtedness for advice and helpful criticism to Dr. Tore Browaldh, Chairman of Svenska Handelsbanken and recently a member of the U.S. Group of Eminent Persons studying multinationals, and to Dr. Ernst Keller, President of Adela Investment Co., S.A., Lima, Peru.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bluntly that the major manufacturing, distributive and financial companies of the developed world would barely notice it, were the sales in and the profits from the developing countries suddenly to disappear.

Confidential inside data in my possession on about 45 manufacturers, distributors and financial institutions among the world's leading multinationals, both North American and European,[2] show that the developed two-thirds of Brazil—from Bello Horizonte southward—is an important market for some of these companies, though even Brazil ranks among the first 12 sales territories, or among major revenue producers, for only two of them. But central and southern Brazil, while still "poor," are clearly no longer "underdeveloped." And otherwise not even India or Mexico—the two "developing" countries with the largest markets—ranks for any of the multinational companies in my sample ahead even of a single major sales district in the home country, be it the Hamburg-North Germany district, the English Midlands or Kansas City.

On the worldwide monthly or quarterly sales and profit chart, which most large companies use as their most common top-management tool, practically no developing country even appears in my sample of 45 major multinationals except as part of a "region," e.g., "Latin America," or under "Others."

The profitability of the businesses of these companies in the developing countries is uniformly lower by about two percentage points than that of the businesses in the developed countries, except for the pharmaceutical industry where the rate of return, whether on sales or on invested capital, is roughly the same for both. As a rule, it takes longer—by between 18 months to three years—to make a new operation break even in a developing country. And the growth rate—again excepting the pharmaceutical industry—is distinctly slower. Indeed, in these representative 45 businesses, 75 to 85 percent of all growth, whether in sales or in profits, in the last 25 years, occurred in the developed countries. In constant dollars the business of these 45 companies in the developed world doubled—or more than doubled—in the last 10 to 15 years. But their business in the developing countries grew by no more than one-third during that period if the figures are adjusted for inflation.

[2] I have no data on Japanese-based multinationals; but in developing countries the Japanese are still mainly engaged in extractive and raw-material-producing business.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Published data, while still scarce and inadequate, show the same facts. Only for the extractive industries have the developing countries—and then only a very few of them—been of any significance whether as a source of profits, as loci of growth, or as areas of investment.

The reason is, of course, that—contrary to the old, and again fashionable, theory of "capitalist imperialism"—sales, growth and profits are where the market and the purchasing power are.

To the developing country, however, the multinational is both highly important and highly visible.

A plant employing 750 people and selling eight million dollars worth of goods is in most developing countries a major employer—both of rank and file and of management—and a big business. For the multinational parent company, employing altogether 97,000 people and selling close to two billion dollars worth of goods a year, that plant is, however, at best marginal. Top management in Rotterdam, Munich, London or Chicago can spend practically no time on it.

Neglect and indifference rather than "exploitation" is the justified grievance of the developing countries in respect to the multinationals. Indeed, top management people in major multinationals who are personally interested in the developing countries find themselves constantly being criticized for neglecting the important areas and for devoting too much of their time and attention to "outside interests." Given the realities of the business, its markets, growth opportunities and profit opportunities, this is a valid criticism.

The discrepancy between the relative insignificance of the affiliate in a developing country and its importance and visibility for the host country poses, however, a major problem for the multinationals as well. Within the developing country the man in charge of a business with 750 employees and eight million dollars in sales has to be an important man. While his business is minute compared to the company's business in Germany, Great Britain or the United States, it is every whit as difficult—indeed it is likely to be a good deal more difficult, risky and demanding. And he has to treat as an equal with the government leaders, the bankers and the business leaders of his country—people whom the district sales manager in Hamburg, Rotterdam or Kansas City never even sees. Yet his sales and profits are less than those of the Hamburg, Rotterdam or Kansas City sales district. And

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his growth potential is, in most cases, even lower.

This clash between two realities—the personal qualifications and competence, the position, prestige and power needed by the affiliate's top management people to do their job in the developing country, and the reality of a "sales district" in absolute, quantitative terms—the traditional corporate structure of the multinationals cannot resolve.

III

The second major assumption underlying the discussion of multinationals and developing countries is the belief that resources from abroad, and especially capital from abroad, can "develop" a country.

But in the first place no country is "underdeveloped" because it lacks resources. "Underdevelopment" is inability to obtain full performance from resources; indeed we should really be talking of countries of higher and lower productivity rather than of "developed" or "underdeveloped" countries. In particular, very few countries—Tibet and New Guinea may be exceptions—lack *capital*. Developing countries have, almost by definition, more capital than they productively employ. What "developing" countries lack is the full ability to mobilize their resources, whether human resources, capital or the physical resources. What they need are "triggers," stimuli from abroad and from the more highly developed countries, that will energize the resources of the country and will have a "multiplier impact."

The two success stories of development in the last hundred years—Japan and Canada—show this clearly. In the beginning, Japan imported practically no capital except small sums for early infrastructure investments, such as the first few miles of railroad. She organized, however, quite early, what is probably to this day the most efficient system for gathering and putting to use every drop of capital in the country. And she imported—lavishly and without restraints—technology with a very high multiplier impact and has continued to do so to this day.

Canada, in the mid-1930s, was far less "developed" a country than most American republics are today. Then the liberal governments of the 1930s decided to build an effective system for collecting domestic capital and to put it into infrastructure investments with a very high "multiplier" effect—roads, health care, ports, education and effective national and provincial administra-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions. Foreign capital was deliberately channeled into manufacturing and mining. Domestic capital and entrepreneurs were actually discouraged in the extractive and manufacturing sectors. But they were strongly encouraged in all tertiary activities such as distribution, banking, insurance and in local supply and finishing work in manufacturing. As a result a comparatively small supply of foreign capital—between a tenth and a twentieth of Canada's total capital formation—led to very rapid development within less than two decades.

There is a second fallacy in the conventional assumption, namely that there is unlimited absorptive capacity for money and especially for money from abroad. But in most developing countries there are actually very few big investment opportunities. There may be big hydroelectric potential; but unless there are customers with purchasing power, or industrial users nearby, there is no economic basis for a power plant. Furthermore, there is no money without strings. To service foreign capital, even at a minimal interest rate, requires foreign exchange. At that, loans or equity investments as a rule constitute a smaller (and, above all, a clearly delimited) burden than grants and other political subsidies from abroad. The latter always create heavy obligations, both in terms of foreign and domestic policy, no matter where they come from.

A developing country will therefore get the most out of resources available abroad, especially capital, if it channels capital where it has the greatest "multiplier impact." Moreover, it should channel it where one dollar of imported capital will generate the largest number of domestic dollars in investment, both in the original investment itself and in impact-investment (e.g., the gas stations, motels and auto repair shops which an automobile plant calls into being), and where one job created by the original investment generates the most jobs directly and indirectly (again an automobile industry is a good example). Above all, the investment should be channeled where it will produce the largest number of local managers and entrepreneurs and generate the most managerial and entrepreneurial competence. For making resources fully effective depends on the supply and competence of the managerial and entrepreneurial resource.

According to all figures, government money has a much lower multiplier impact than private money. This is, of course, most apparent in the Communist-bloc countries; low, very low, pro-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ductivity of capital is the major weakness of the Communist economies, whether that of Russia or of her European satellites. But it is true also of public (e.g., World Bank) money elsewhere: it generates little, if any, additional investment either from within or from without the recipient country. And "prestige" investments, such as a steel mill, tend to have a fairly low multiplier impact—both in jobs and in managerial vigor—as against, for instance, a department store which brings into existence any number of small local manufacturers and suppliers and creates a major managerial and entrepreneurial cluster around it.

For the multinational in manufacturing, distribution, or finance locating in a developing country, rapid economic development of the host country offers the best chance for growth and profitability. The multinational thus has a clear self-interest in the "multiplier" impact of its investment, products and technology. It would be well advised to look on the capital it provides as "pump priming" rather than as "fuel." The more dollars (or pesos or cruzeiros) of local capital each of its own dollars of investment generates, the greater will be the development impact of its investment, and its chance for success. For the developing country the same holds true: to maximize the development impact of each imported dollar.

The Canadian strategy was carried on too long; by the early 1950s, Canada had attained full development and should have shifted to a policy of moving its own domestic capital into "superstructure" investments. But though the Canadian strategy is certainly not applicable to many developing countries today—and though, like any strategy, it became obsolete by its very success—nevertheless it was highly successful, very cheap and resulted in rapid economic growth while at the same time ensuring a high degree of social development and social justice.

What every developing country needs is a strategy which looks upon the available foreign resources, especially of capital, as the "trigger" to set off maximum deployment of a country's own resources and to have the maximum "multiplier effect." Such a strategy sees in the multinational a means to energize domestic potential—and especially to create domestic entrepreneurial and managerial competence—rather than a substitute for domestic resources, domestic efforts and, even, domestic capital. To make the multinationals effective agents of development in the developing countries therefore requires, above all, a policy of encourag-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing the domestic private sector, the domestic entrepreneur and the domestic manager. If they are being discouraged the resources brought in from abroad will, inevitably, be wasted.

For by themselves multinationals cannot produce development; they can only turn the crank but not push the car. It is as futile and self-defeating to use capital from abroad as a means to frighten and cow the local business community—as the bright young men of the early days of the Alliance for Progress apparently wanted to do—as it is to mobilize the local business community against the "wicked imperialist multinational."

IV

The multinational, it is said, tends to allocate production according to global economics. This is perfectly correct, though so far very few companies actually have a global strategy. But far from being a threat to the developing country, this is potentially the developing country's one trump card in the world economy. Far from depriving the governments of the developing countries of decision-making power, the global strategy of the multinationals may be the only way these governments can obtain some effective control and bargaining leverage.

Short of attack by a foreign country the most serious threat to the economic sovereignty of developing countries, and especially of small ones, i.e., of most of them, is the shortage of foreign exchange. It is an absolute bar to freedom of decision. Realizing this, many developing countries, especially in the 1950s and early 1960s, chose a deliberate policy of "import substitution."

By now we have all learned that in the not-so-very-long run this creates equal or worse import-dependence and foreign-exchange problems. Now a variant of "import substitution" has become fashionable: a "domestic-content" policy which requires the foreign company to produce an increasing part of the final product in the country itself. This, predictably, will eventually have the same consequences as the now discredited "import substitution," namely, greater dependence on raw materials, equipment and supplies from abroad. And in all but the very few countries with already substantial markets (Brazil is perhaps the only one—but then Brazil is not, after all, "developing" any longer in respect to the central and southern two-thirds of the country) such a policy must, inevitably, make for a permanently high-cost industry unable to compete and to grow. The policy

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

creates jobs in the very short run, to be sure; but it does so at the expense of the poor and of the country's potential to generate jobs in the future and to grow.

What developing countries need are *both*—foreign-exchange earnings and productive facilities large enough to provide economies of scale and with them substantial employment. This they can obtain only if they can integrate their emerging productive facilities—whether in manufactured goods or in such agricultural products as fruits and wine—with the largest and the fastest-growing economy around, i.e., the world market.

But exporting requires market knowledge, marketing facilities and marketing finance. It also requires political muscle to overcome strongly entrenched protectionist forces, and especially labor unions and farm blocs in the developed countries. Exporting is done most successfully, most easily and most cheaply if one has an assured "captive" market, at least for part of the production to be sold in the world market. This applies particularly to most of the developing countries, whose home market is too small to be an adequate base for an export-oriented industry.

The multinational's capacity to allocate production across national boundary lines and according to the logic of the world market should thus be a major ally of the developing countries. The more rationally and the more "globally" production is being allocated, the more they stand to gain. A multinational company, by definition, can equalize the cost of capital across national lines (to some considerable extent, at least). It can equalize to a large extent the managerial resource, that is, it can move executives, can train them, etc. The only resource it cannot freely move is labor. And that is precisely the resource in which the developing countries have the advantage.

This advantage is likely to increase. Unless there is a worldwide prolonged depression, labor in the developed countries is going to be increasingly scarce and expensive, if only because of low birthrates, while a large-scale movement of people from pre-industrial areas into developed countries, such as the mass-movement of American Blacks to the Northern cities or the mass-movement of "guest workers" to Western Europe, is politically or socially no longer possible.

But unless the multinationals are being used to integrate the productive resources of the developing countries into the productive network of the world economy—and especially into the pro-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

duction and marketing systems of the multinationals themselves —it is most unlikely that major export markets for the production of the developing countries will actually emerge very quickly.

Thus, the most advantageous strategy for the developing countries would seem to be to replace—or, at least to supplement—the policy of "domestic content" by a policy that uses the multinationals' integrating ability to develop large productive facilities with access to markets in the developed world. A good idea might be to encourage investment by multinationals with definite plans—and eventually firm commitments—to produce for export, especially within their own multinational system. As Taiwan and Singapore have demonstrated, it can make much more sense to become the most efficient large supplier worldwide of one model or one component than to be a high-cost small producer of the entire product or line. This would create more jobs and provide the final product at lower prices to the country's own consumers. And it should result in large foreign-exchange earnings.

I would suggest a second integration requirement. That developing countries want to limit the number of foreigners a company brings in is understandable. But the multinational can be expected to do that anyhow as much as possible—moving people around is expensive and presents all sorts of problems and troubles. Far more important would be a requirement by the developing country that the multinational integrate the managerial and professional people it employs in the country within its worldwide management development plans. Most especially it should assign an adequate number of the younger, abler people from its affiliate in the developing country for from three to five years of managerial and professional work in one of the developed countries. So far, to my knowledge, this is being done systematically only by some of the major American banks, by Alcan, and by Nestle. Yet it is people and their competence who propel development; and the most important competence needed is not technical, i.e., what one can learn in a course, but management of people, marketing and finance, and first-hand knowledge of developed countries.

In sum, from the point of view of the developing countries the best cross-national use of resources which the multinational is—or should be—capable of may well be the most positive element in the present world economy. A policy of self-sufficiency

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is not possible even for the best-endowed country today. Development, even of modest proportions, cannot be based on uneconomically small, permanently high-cost facilities, either in manufacturing or in farming. Nor is it likely to occur, let alone rapidly, under the restraint of a continental balance-of-payments crisis. The integration of the productive capacities and advantages of developing countries into the world economy is the only way out. And the multinational's capacity for productive integration across national boundaries would seem the most promising tool for this.

V

That 100-percent ownership on the part of the "parent company" is *the* one and only corporate structure for the multinational, while widely believed, has never been true. In so important a country as Japan it has always been the rather rare exception, with most non-Japanese companies operating through joint ventures. Sears, Roebuck is in partnership throughout Canada with a leading local retail chain, Simpson's. The Chase Manhattan Bank operates in many countries as a minority partner in and with local banks. Adela, the multinational venture-capital firm in Latin America, and by far the most successful of all development institutions in the world today, has confined itself from its start, ten years ago, to minority participation in its ventures, and so on.

But it is true that, historically, 100-percent ownership has been considered the preferred form, and anything else as likely to make unity of action, vision and strategy rather difficult. Indeed, restriction of the foreign investor to less than 100-percent control or to a minority participation, e.g., in the Andean Pact agreements or in Mexico's legislation regarding foreign investments, is clearly intended as restraint on the foreigner, if not as punitive action.

But increasingly the pendulum is likely to swing the other way. (Indeed, it may not be too far-fetched to anticipate that, a few years hence, "anti-foreign" sentiment may take the form of demanding 100-percent foreign-capital investment in the national company in the developing country, and moving toward outlawing partnerships or joint ventures with local capital as a drain on a country's slender capital resources.) The multinational will find it increasingly to its advantage to structure ownership in a va-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

riety of ways, and especially in ways that make it possible for it to gain access to both local capital and local talent.

Capital markets are rapidly becoming "polycentric." The multinationals will have to learn so to structure their businesses as to be able to tap any capital market—whether in the United States, Western Europe, Japan, Brazil, Beirut or wherever. This the monolithic "parent company" with wholly-owned branches is not easily capable of. When companies, for example the West Europeans, raise money abroad, they often prefer financial instruments such as convertible debentures, which their own home capital markets, or the United States, do not particularly like and cannot easily handle. There is also more and more evidence that the capital-raising capacity of a huge multinational, especially for medium-term working capital, can be substantially increased by making major segments of the system capable of financing themselves largely in their own capital markets and with their own investing public and financial institutions.

But capital is also likely to be in short supply for years to come, barring a major global depression. And this might well mean that the multinationals will only be willing and able to invest in small, less profitable and more slowly growing markets, i.e., in developing countries if these countries supply a major share of the needed capital rather than have the foreign investor put up all of it.

That this is already happening, the example of Japan shows. Lifting restrictions on foreign investment was expected to bring a massive rush of take-over bids and 100 percent foreign-owned ventures. Instead it is now increasingly the Western investor, American as well as European, who presses for joint ventures in Japan and expects the Japanese partner to supply the capital while he supplies technology and product knowledge.

Perhaps more important will be the need to structure for other than 100-percent ownership to obtain the needed managerial talent in the developing country. If the affiliate in the developing country is not a "branch" but a separate company with substantial outside capital investment, the role and position of its executives become manageable. They are then what they have to be, namely, truly "top management," even though in employment and sales their company may still be insignificant within the giant concern.

And if the multinational truly attempts to integrate pro-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

duction across national boundaries, a "top management" of considerable stature becomes even more necessary. For then, the managers of the affiliate in a developing country have to balance both a national business and a global strategy. They have to be "top management" in their own country and handle on the local level highly complex economic, financial, political and labor relations as well as play as full members on a worldwide "system management" team.[3] To do this as a "subordinate" is almost impossible. One has to be an "equal," with one's own truly autonomous command.

VI

Domestically, we long ago learned that "control" has been divorced from "ownership" and, indeed, is rapidly becoming quite independent of "ownership." There is no reason why the same development should not be taking place internationally—and for the same two reasons: (1) "ownership" does not have enough capital to finance the scope of modern large businesses; and (2) management, i.e., "control," has to have professional competence, authority and standing of its own. Domestically the divorce of "control" from "ownership" has not undermined "control." On the contrary, it has made managerial control and direction more powerful, more purposeful, more cohesive.

There is no inherent reason why moving away from "100-percent ownership" in developing countries should make impossible maintenance of common cohesion and central control. On the contrary, both because it extends the capital base of the multinational in a period of worldwide capital shortage and because it creates local partners, whether businessmen or government agencies, the divorce between control and direction may well strengthen cohesion, and may indeed even be a prerequisite to a true global strategy.[4]

At the same time such partnership may heighten the development impact of multinational investment by mobilizing domestic capital for productive investment and by speeding up the development of local entrepreneurs and managers.

[3] For a full discussion of this organization design, see my recent book *Management: Tasks; Responsibilities; Practices,* New York: Harper & Row, 1974, especially Chapter 47.

[4] On very different grounds, Professor Jack N. Behrman, former Assistant Secretary of Commerce in the Kennedy Administration and a man with encyclopedic knowledge of how the multinational economy works, reached similar conclusions. See his *Decision Criteria for Foreign Direct Investment in Latin America,* New York: Council of the Americas, 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Admittedly, mixed ownership has serious problems; but they do not seem insurmountable, as the Japanese joint-venture proves. It also has advantages; and in a period of worldwide shortage of capital it is the multinational that would seem to be the main beneficiary. Indeed one could well argue that developing countries, if they want to attract foreign investment in such a period, may have to *offer* co-investment capital, and that provisions for the participation of local investment in ownership will come to be seen (and predictably to be criticized) as favoring the foreign investor rather than as limiting him.

VII

The multinational, while the most important and most visible innovation of the postwar period in the economic field, is primarily a symptom of a much greater change. It is a response to the emergence of a genuine world economy. This world economy is not an agglomeration of national economies as was the "international economy" of nineteenth-century international trade theory. It is fundamentally autonomous, has its own dynamics, its own demand patterns, its own institutions—and in the Special Drawing Rights (SDR) even its own money and credit system in embryonic form. For the first time in 400 years—since the end of the sixteenth century when the word "sovereignty" was first coined—the territorial political unit and the economic unit are no longer congruent.

This, understandably, appears as a threat to national governments. The threat is aggravated by the fact that no one so far has a workable theory of the world economy. As a result there is today no proven, effective, predictable economic policy: witness the impotence of governments in the face of worldwide inflation.

The multinationals are but a symptom. Suppressing them, predictably, can only aggravate the disease. But to fight the symptoms in lieu of a cure has aways been tempting. It is therefore entirely possible that the multinationals will be severely damaged and perhaps even destroyed within the next decade. If so, this will be done by the governments of the developed countries, and especially by the governments of the multinationals' *home* countries, the United States, Britain, Germany, France, Japan, Sweden, Holland and Switzerland—the countries where 95 percent of the world's multinationals are domiciled and which together account for at least three-quarters of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

multinationals' business and profits. The developing nations can contribute emotionalism and rhetoric to the decisions, but very little else. They are simply not important enough to the multinationals (or to the world economy) to have a major impact.

But at the same time the emergence of a genuine world economy is the one real hope for most of the developing countries, especially for the great majority which by themselves are too small to be viable as "national economies" under present technologies, present research requirements, present capital requirements and present transportation and communications facilities. The next ten years are the years in which they will both most need the multinationals and have the greatest opportunity of benefiting from them. For these will be the years when the developing countries will have to find jobs and incomes for the largest number of new entrants into the labor force in their history while, at the same time, the developed countries will experience a sharp contraction of the number of new entrants into their labor force—a contraction that is already quite far advanced in Japan and in parts of Western Europe and will reach the United States by the late 1970s. And the jobs that the developing countries will need so desperately for the next ten years will to a very large extent require the presence of the multinationals—their investment, their technology, their managerial competence, and above all their marketing and export capabilities.

The best hope for developing countries, both to attain political and cultural nationhood and to obtain the employment opportunities and export earnings they need, is through the integrative power of the world economy. And their tool, if only they are willing to use it, is, above all, the multinational company—precisely because it represents a global economy and cuts across national boundaries.

The multinational, if it survives, will surely look different tomorrow, will have a different structure, and will be "transnational" rather than "multinational." But even the multinational of today is—or at least should be—a most effective means to constructive nationhood for the developing world.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COMING INVESTMENT WARS?

By C. Fred Bergsten

CANADA will now permit new foreign direct investments only when they bring "significant benefit" to Canada. The determination of "significant benefit" is explicitly to be a policy decision of the cabinet, based on five criteria: the contribution of the proposed investment to "the level and nature of economic activity in Canada," including employment, use of Canadian components, and exports; the degree and significance of Canadian participation in the enterprise; the effect on productivity, technological development and innovation in Canada; the effect on industrial competition; and the compatibility of the investment with the economic and industrial policies of the national and provincial governments.

The following scenario thus becomes almost inevitable. The Canadian cabinet will approve a large and controversial U.S. investment. Nationalist opposition will charge a sellout of Canadian interests. The government will respond that the investment brings "significant benefit" to Canada.

But Canadian politics will not permit the simple assertion of "national interest" by the governing party. Opponents of the investment (and of the governing party) will enumerate the alleged injury it brings to Canada. The government will be forced to counter by specifying the benefits which, in its view, outweigh the disadvantages. It will thus publicly reveal, for example, that the investment will bring x thousand additional jobs and y million dollars of additional exports to Canada.

International conflict becomes certain at this point. The AFL-CIO will charge that the x thousand jobs have been exported from the United States to Canada, validating its case against foreign investment by U.S. firms. The Treasury Department will charge that Canada has diverted the y million dollars of exports from the United States, weakening the U.S. balance of payments and the dollar. One virtually certain result is intensified U.S.-Canadian hostility. Another, which is a theme of this article, is an intensification of political pressure in the United States against all foreign investment by American firms.

Such overt efforts by Canada to capture an increasing share of the benefits of foreign investment would by themselves have a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

significant impact on U.S. policy, because Canada remains by far the largest single recipient of U.S. investment and because the rapid flow of communications between the two countries assures that adversely affected American interests will become aware of the situation. But the new Canadian policy is only illustrative of one of the basic global trends of the 1970s. Virtually every country in the world which receives direct investment—which means virtually every country in the world, big or small, industrialized or developing, Communist or non-Communist, Left or Right—is levying increasingly stringent requirements on foreign firms.

The objective of these policies of host countries is to tilt the benefits brought by multinational companies as far as possible in their favor and to minimize the costs to them which can be associated with such investments. Few countries any longer ask the simplistic question: "Do we want foreign investment?" The issue is how to get foreign investment on the terms which are best for them, and indeed to use the power of the firms to promote their own national goals.

Host countries are adopting a variety of strategies to achieve this objective. Most are applying much more sensible general economic policies, and thus removing such sources of windfall profits for the firms—and losses for the countries—as overvalued exchange rates and undervalued interest rates. In addition, most are seeking to position themselves as strongly as possible to negotiate better deals on the whole range of relevant issues with applicant firms. They list broad criteria for judging specific applications, require detailed statements from applicant firms on the effects of their proposals, and then seek the best mix of benefits they can achieve without deterring the investor. This effort of host countries to negotiate maximum benefits and minimum costs from foreign investors will shortly become the focus of the entire international debate about multinational firms.

II

Efforts by host countries to maximize their returns from foreign investors are, of course, nothing new. There are four features, however, which differentiate the present markedly from the past. First, virtually all host countries are now adopting such policies, whereas only a few did so before. Second, the policies themselves are becoming more evident and explicit and hence will attract increasing attention in the home countries of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

firms, particularly the United States.

Third, host-country objectives are now much broader and deeper. Governments throughout the world are accepting responsibility for an increasing number of economic and social objectives—such as regional equity, better income distribution and the development of indigenous high-technology industries—in addition to the traditional macroeconomic goals of full employment, growth and price stability. Developing countries are also seeking to reduce unemployment directly rather than assuming that it will fall automatically with economic growth.

Thus governments are seeking additional policy instruments, to meet an increased number of policy targets. With the explosive acceleration of international economic interpenetration, external forces can hinder—or assist—the successful use of traditional domestic policy instruments. Multinational firms, as the chief engine of interpenetration, represent both a major threat to the success of internal policies and a major opportunity for help. Host countries are thus virtually compelled by their own political imperatives to seek to exert a maximum impact on the detailed behavior of almost all incoming direct investments.

Fourth, host-country efforts are now far more likely to succeed because of fundamental shifts in the world economic and political environment that have put many host countries in a far stronger position than before. They have large and rapidly growing markets, especially when they are members of regional arrangements, such as the European Community or the Andean Pact, which discriminate against imports from outsiders. Many represent highly productive, lower-cost "export platforms" from which multinational firms can substantially improve their global competitive positions. Those possessing key raw materials are in a particularly strong position, both with companies in the extractive industries themselves and with companies which use the materials;[1] producers of raw materials have now demonstrated the ability to get together to promote their common interests, rather than compete with each other to the benefit of outsiders. And the indigenous talent that has emerged in even the least developed, as the result of a generation of economic growth with heavy emphasis on advanced education, enables host countries both to perceive accurately their national interests and take

[1] See C. Fred Bergsten, "The New Era in World Commodity Markets," *Challenge*, Sept.–Oct. 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

maximum advantage of their stronger positions. Outside help in negotiating with the firms is also increasingly available for those countries which still need it. So the firms can no longer dictate, or even heavily influence, host-country policies as they may have done in the past; the *dependencia* syndrome, under which foreign and domestic elites collude against the national interests of host countries, is rapidly disappearing.

In addition, host countries now have a far wider array of options in pursuing their objectives. Not long ago the multinational firm was the only source of large-scale capital, advanced technology and superior management. Not long ago the United States was virtually the sole source of large chunks of investment capital, technological know-how and marketing skills. Not long ago security considerations devolving from the cold war enabled the United States to dominate its allies, most small countries, and the international rules and institutions which governed world economic relations.

Now, however, the multinationals have lost much of their power because the attributes which they once monopolized, and which could only be obtained in package form, can be increasingly "unbundled"—capital obtained in the private markets, technology licensed from a variety of sources, management hired directly. Increasing numbers of European and Japanese companies offer formidable competition for American multinationals —and are often willing to invest on terms more generous to host countries, to make up for their delayed emergence on the world scene. Capital, technology and other skills can be bought in Europe and elsewhere, as well as in America. With the onset of détente, host countries large and small no longer fear to cross the United States by challenging U.S.-based firms and the international economic environment which helped them flourish in the 1950s and 1960s. Multinational firms based in the United States, recognizing these basic changes and with their own international exposure greatly increased by virtue of their rapid global expansion, complete the circle by seeking in virtually all cases to accommodate to the new leverage of host countries and by eschewing the backing of the U.S. government.

In short, sovereignty is no longer at bay in host countries. To be sure, the degree of this shift in power differs from country to country, and from industry to industry. It is virtually complete in most industrial host countries and some developing countries

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as well, and is well underway in many other developing countries. Only in a few countries—industrial as well as developing, and indeed including the United States itself—have new host-country policies on foreign investment not yet begun to emerge.

The shift in power and resulting policy is further along in extractive than in manufacturing industries. Within manufacturing, it is further advanced for low-technology investments and those aimed at the local market than for high-technology investments and those which use the country as an "export platform." But the trend appears inexorable.

III

What about the effects of this trend on home countries—that is, the countries from which investment comes, via multinational firms based there—in particular the United States? Before addressing that question, we need to take a closer look at the specific requirements being levied on the multinational firms.

These requirements derive from the policy objectives of the host countries. They differ in degree from country to country, but fall into three broad categories: domestic economic objectives, foreign economic policy objectives, and national control over the local subsidiaries of the foreign-based firms.

In the first category, the most direct requirement is job quotas for nationals. This has both a quantitative and a qualitative aspect. Developing countries with high rates of aggregate unemployment simply impose overall job requirements. Indonesia requires that 75 percent of all employees of foreign-based firms be Indonesian within five to eight years; Nigeria and Morocco sharply limit the access to alien labor of such firms. In both industrial and developing countries, such job requirements are often part of "regional policies": Canada, France, Iran, the Netherlands, and the United Kingdom, among others, offer major incentives to enterprises to bring jobs to "depressed areas." (In some countries, regional authorities themselves add to the list of requirements.) In addition, layoffs may be forbidden (Italy, some recent cases in France) or made very costly (Germany, Belgium), so that the firm is locked tightly into any level of employment which it initially recruits.

Qualitative job requirements are prevalent in both industrial countries and the new middle class of semi-developed countries. Argentina requires at least 85 percent of management, scientific,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

technical and administrative personnel to be Argentine. Singapore judges investment applications partly by the ratio of skilled and technical workers to be included in the work force. An increasing number of industrialized countries, particularly in Europe, are requiring the firms to carry out locally both a significant share of their total research and development and some of their most advanced research. Training of local workers is another requirement, aimed at both more and better jobs.

Two measures used to pursue both domestic and foreign economic objectives are "value-added" and "anti-concentration" requirements. To avoid becoming mere entrepôts for foreign firms, developing countries will now often require domestic production of a certain share of final output. This promotes the employment objective, both in the new industry itself and in those local industries which supply it; and furthers its balance-of-payments objective by raising the net foreign exchange return from the investment.

To avoid excessive industrial concentration, which can lead both to higher prices at home and to an impaired competitive position in world markets, some countries—particularly more developed ones—either reject foreign investments (especially take-overs) which would create excessive market power or let them proceed only if steps are taken to guard against such an outcome. Germany, the United States and Canada are particularly concerned with this issue.

Many developing countries are pursuing a similar aim through different means. Some multinational firms have traditionally limited or excluded competition among their own subsidiaries (and the parent) by dividing up world markets for each of their products. One result is that subsidiaries in particular countries are barred completely from the export market, or limited to a particular region. Global competition may be reduced as a result, and the export (and hence total production) opportunities of the country hosting the hobbled subsidiary are certainly reduced. Led by the Andean Pact, developing host countries are banning any such limitations on the distribution of local production by the subsidiaries (and any other tie-in clauses that would restrict the subsidiaries' use of the parents' technology).

Host countries are now promoting balance-of-payments objectives in several ways. A special target has been the trend in most multinational firms toward local financing, a practice which both

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

limits the inflow of capital and diverts scarce local capital.

From 1957–1965, for example, only 17 percent of the investments of U.S.-based firms in Latin America originated outside the host country.[2] From 1965 until early 1974, U.S. policy actually promoted the trend toward local financing by limiting (first voluntarily, then mandatorily from 1968) the capital outflows of U.S. firms—but not their actual investments. Now a reaction has set in. Australia was one of the first countries to require external capital to come with the firm, largely in retaliation against the U.S. capital controls. Many hosts now require external financing for foreign investments, and others achieve the same purpose by limiting subsidiaries' access to domestic capital. On the other side of the capital account, a widening array of countries (e.g., Brazil, India, the Andean Pact) limit tightly the repatriation of capital investment and even profits.

Requirements that the investing firm export a sizable share of output are even more important, because they go directly to the location of world production, jobs and the most sensitive aspects of each country's external position. Andean Pact countries will permit foreign investors to avoid divestiture only if they export more than 80 percent of their output outside the group. Mexico permits 100 percent foreign ownership only if the firm exports 100 percent of its output. India requires foreign investors to export 60 percent of output within three years. Practically every host developing country—and many host developed countries—attach very high priority to the export criterion.

As with jobs, the export requirement is qualitative as well as quantitative. Many countries are seeking to upgrade and diversify their export base, and so require foreign investors to push the processing of raw materials or the assembly of components a stage or two further than might otherwise occur. A particular objective is building high-technology exports.[3]

Some efforts are still being made to get foreign firms to replace imports as well. Canada recently barred a major U.S. computer company from competing for government contracts unless it helped Canada achieve balanced trade in that sector, by replac-

[2] Ronald Müller, "Poverty Is the Product," *Foreign Policy*, Winter 1973–74, pp. 85–88.

[3] This emphasis on high-technology exports may affect a country's balance of payments less than its industrial structure. In a country whose exchange rate is floating, such as Canada, any increase in the exports of the promoted sector will produce upward movement in the currency, which will tend to limit exports (and increase imports) in other sectors.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing imports as well as exporting. However, host countries are increasingly emphasizing exports because such a focus permits larger-scale production, greater efficiency, and more jobs and growth for the longer run. The shift requires more explicit policies toward the foreign investor and more affirmative action by the firms (especially if the host country is to avoid the costs to its wider objectives of excessive export subsidies and undervalued exchange rates). In addition, larger production runs by the subsidiaries mean greater potential conflict with the economic interests of the home country. This issue well illustrates the increasing clashes among countries which may arise.

Finally, virtually all host countries are seeking majority (if not complete) ownership of local subsidiaries of foreign firms. Many are seeking a major share in day-to-day management as well. The objective is to increase the likelihood that the subsidiary will respond positively to the national policies of the host country rather than to the global strategy of the corporate family, headquartered in the United States or another home country, and perhaps to the global strategy of the government of the home country as well.

Some of these host-country policies treat the multinational firm differently from local companies, though many do not. The main point, however, is not whether the policies are discriminatory. The significance is their clear intent to shift toward the host country the package of benefits brought by the foreign firms. To the extent that they do so successfully to an important degree, they trigger a potentially important new source of international conflict. To the extent that they do so through measures which produce results different from market-determined outcomes, there is increased justification for such clashes and even greater likelihood that they will occur.

IV

The firms themselves may have little or no objection to these host-country policies. They may be relatively indifferent, within fairly broad limits, as to where to locate sizable portions of their production and how to finance it.[4] They may quite easily accom-

[4] For an excellent analysis of this range see Paul Streeten, "The Multinational Enterprise and the Theory of Development Policy," *World Development*, Vol. 1, No. 10 (October 1973). He counsels host developing countries to marry cost-benefit analysis of their own needs to bargaining-power analysis of how far they can push. However, he views many host countries as weaker in their relations with multinationals than do I.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

modate to host-country requirements on a majority, if not all, of the issues raised. The alacrity with which many firms have accepted the exceptionally detailed and far-reaching conditions imposed by Communist host countries is the most dramatic example, but the phenomenon is common. If too many firms do not play, a host country will sense that it has pushed too hard and retreat on the least important of its concerns, until it finds the mix that will maximize its interests.

The cooperativeness of the firms is promoted by the newly powerful positions of the host countries, as outlined above. It is often further accelerated by specific inducements. Some of the most frequent are favored tax treatment, export subsidies, "location grants" within the context of regional policies, subsidized training of local labor, prohibitions of strikes, preferred access to local credit, and protection against imports.

These considerations round out the strategies of the host countries. To maximize their returns, they must not only harness the activities of the firms but assure that the investments actually proceed. Thus they utilize the traditional mix of carrot and stick. The greater the incentives, the further the firms will, of course, tilt toward complying with the requests of their hosts.

Thus, a second broad trend is toward collaboration between the multinational firms and their hosts, and greater distance between the firms and their home governments. Few firms any longer appeal to their home government for support against host governments even in cases of outright nationalization, let alone to deal with the growing array of economic and political requirements which they face. Some firms, particularly in the natural resources industries, seek to limit the leverage of host countries by blending together capital from a variety of countries and selling their output forward to buyers in a variety of countries, to increase the problems for the host if it takes extreme action.[5] But even this strategy does not deter the achievement of the host's primary objectives; indeed, it may promote them by enhancing the inflow of external capital and assuring a diversified export market. And most firms, in recognition of the current balance of power, are in fact cooperating fully with their hosts. The oil industry is the most obvious recent case in point, but the trend is

[5] See Theodore H. Moran, "Transnational Strategies of Protection and Defense by Multinational Corporations: Spreading the Risk and Raising the Cost for Nationalization in Natural Resources," *International Organization*, Vol. 27, No. 2 (Spring 1973).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

certainly widespread.

This analysis differs sharply from the picture painted in the recent debates in the United Nations and elsewhere, where the developing countries (and even some developed countries) continue to attack the alleged alliance against them of multinational firms and home-country governments. The difference can be explained partly by the usual lag in perceptions of overall bargaining power by the bargainer who is catching up step by step; partly by the dominance of the rhetoric by politicians whose perceptions are shaped by images, rather than by the technocrats who are implementing the new policies; partly by the zeal of the developing countries to stick together, which requires them to adopt the position of the weakest among them; and perhaps mainly by the overwhelming tactical advantage of keeping the home countries tagged as defenders of the multinationals and aggressors against host-country interests. As in the case of raw material prices, some of the traditionally have-not countries suffer from intellectual lag and others find it highly convenient to maintain the rhetoric of the past though it no longer bears much relation to reality. Their tactics can succeed as long as the home countries fail to recognize what is really happening. But reality in the field of foreign direct investment cannot be submerged much longer.

V

The main impact of these new global trends is on the home countries of the multinational firms. It falls most heavily on the United States, the largest home country by far.

If host countries are achieving an increasing share of the benefits brought by multinational firms, someone else is receiving a decreasing share. As just outlined, this "loser" is seldom the firms themselves; indeed, they may gain more from the incentives than they lose from the requirements. In some cases, countries which are neither home nor host to the company may lose—as when a Brazilian subsidiary of a U.S. firm competes with German sales in the world automobile market.

But the United States, as the home country, may frequently be on the losing side of the new balance in two senses. Host-country inducements to American firms may attract economic activity and jobs away from the United States, in some cases without economic justification. Traditionally, the United States has forcefully opposed policies which discriminated against foreign in-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vestors; now it increasingly finds its national interests threatened by policies which discriminate in favor of those firms. And host-country requirements may skew the results of U.S. investments against the overall U.S. national interest.

To be sure, many foreign direct investments represent non-zero-sum games: as in all classical market behavior, world welfare improves. It is also conceivable that all parties benefit from some of those investments. Some host-country measures may also help home countries, such as the United States; if a host country breaks up the global allocation of markets by a multinational firm, the home country may benefit more from lower prices than it loses in oligopoly rents. And some host-country policies (such as placing a few directors on the boards of subsidiaries) essentially bring them psychic rather than financial income, and have no adverse impact on anyone.

However, there is always the issue of how to divide the benefits even when all parties do gain. Indeed, there may be losses to the United States (through the firms) even when more economically sensible host-country policies increase world welfare by eliminating or reducing market imperfections which profited the firms in the past. Most important, many investments are largely indifferent to location and hence are close to zero-sum games; in such cases a decision that is one party's gain *is* another party's loss. Furthermore, world welfare may actually decline as a result of some foreign investments, such as those induced primarily by host-country tax preferences and those which increase global market concentration, even though host countries gain from them. So there is great latitude for home countries to lose when host countries successfully tilt the benefits of the investment package in their own direction.

The balance-of-payments aspects are the clearest case in point. Existing world demand for a product may often be relatively fixed in the short run, especially for the processed goods and high-technology items which countries are avid to produce. Thus there is a limit to world exports. If Brazil requires General Motors to export a certain share of its production in order to remain in business (or to retain its favored tax treatment), U.S. automotive exports may decline even though no such shift was dictated by purely economic considerations. Similarly, the U.S. capital which Brazil requires General Motors to use to construct its plant may not be automatically offset by other capital inflows

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

into the United States. Similar shifts in benefits can occur with respect to jobs, technology or other economic aspects of investment whose outcome is altered by host-country policies.

The effects of shifts in ownership and management control imposed by host countries are more subtle, and more difficult to trace. In the past, control of foreign natural resources by U.S. companies generally increased the likelihood that those resources would be available to the United States in a crisis; now, however, the seizure of effective control by most host countries has rendered the United States as uncertain as all other countries in this area. Increased host-country control renders the firms less susceptible to the extraterritorial reach of the U.S. government. And shifts in effective control reduce the likelihood that the United States will derive monopoly rents or other benefits from the overseas activities of U.S. firms.

Such shifts of investment-induced benefits from the United States to host countries may, from many points of view, be desirable. They may distribute world income more equitably. They may reduce some of the tensions which have clouded interstate relations heretofore, because host governments felt inferior to the firms and hence susceptible to ill treatment by them.

However, these shifts may not always be so benign from the standpoint of the home country. Indeed, the United States now finds itself in a most peculiar position. Negotiations between U.S.-based multinational firms and host countries are having an increasingly important bearing on the national interests of the United States. The interests of the host countries are represented through their governments. The interests of the firms are represented directly. But the third major actor in the drama is at present wholly unrepresented.

In the past, some observers would have brushed off this apparent asymmetry on three counts: that U.S.-based firms could be counted on to represent U.S. national interests explicitly, or at least advance them inadvertently; that the United States was so powerful economically that any costs to its economy would be easily absorbed (and perhaps welcomed officially in view of U.S. support for economic development elsewhere); and that any such costs would be quite small anyway in view of the insensitivity of the U.S. economy to external events and the marginal economic importance of foreign investment.

Each of these considerations has now changed dramatically,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as part of the change in the overall economic and political environment noted in Section III.[6] Many "U.S.-based" firms have become truly multinational and thus, quite logically and defensibly from their standpoints, pursue a set of interests which may not coincide closely with any of several concepts of U.S. national interests. Indeed, as discussed above, many firms now respond much more clearly to host-country interests, because those host countries have both achieved a much stronger position vis-à-vis the firms and articulated far more clearly than home countries what they expect the firms to do.[7] In their constant quest for legitimacy and acceptance, the firms will naturally slide toward those who care most about their activities and who direct policies at them most explicitly.

And it is obvious that the U.S. economy is not so healthy that it can blithely ignore the effects of a phenomenon as large as direct investment. Such investment now accounts for more than 20 percent of the annual plant and equipment expenditures and profits of U.S.-based firms, and both numbers are rising rapidly. The corporations and the AFL-CIO agree that the phenomenon has an important impact on U.S. jobs and the balance of payments (though they disagree whether that impact is positive or negative). The United States is increasingly affected by world commodity arrangements, the structure of world markets and changes in exchange rates, all of which are influenced importantly by multinational firms.

It is thus both undesirable and completely unrealistic, in both economic and political terms, to anticipate continued abstention by the U.S. government from involvement in the foreign direct investment activities of U.S.-based enterprises. The British government has for several years made foreign exchange available to U.K.-based firms only if they can demonstrate that their foreign investments will benefit Britain's balance of payments, through exports and profit remittances. The Swedish government has had similar restrictions, and has just passed legislation which will also enable it to block foreign investments

[6] And elaborated in C. Fred Bergsten, *The Future of the International Economic Order: An Agenda for Research,* Lexington, Mass.: D.C. Heath and Co., 1973, esp. pp. 1–8.

[7] This in turn reflects a far clearer appreciation by host than home countries of the effects on them of multinational firms, and thus a far clearer idea of the ends to which they might want to harness foreign investors. There has been much more extensive analysis of the effects of foreign investment on host countries than of the effects on home countries, a situation which a forthcoming book on U.S. policy toward such investment by the present author, Thomas Horst and Theodore Moran seeks to help balance.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by Swedish firms which hurt its economy or foreign policy. Japan and, to a lesser extent, France have also traditionally used a variety of government levers to try to assure benefits to the home country from the foreign activities of their firms. So the United States is virtually alone, among home countries, in not playing an active role toward foreign investment by national enterprises.

As in host countries, the issue will not be whether or not to permit foreign investment as a general rule. Nor will it primarily focus on the simplistic U.S. concerns of the past: "prompt, effective and adequate" compensation for nationalized properties, avoidance of barriers to U.S. investment or discrimination against it, codes of conduct to legitimize the firms. The issue will sometimes be whether to permit a specific investment. But it will primarily be the terms on which investments proceed, and the equitable sharing of the resulting impact on the national economies involved.

VI

As the United States seeks to fill the empty chair which currently marks most international discussion of its foreign direct investment, the likelihood of international conflict will rise sharply. For at stake is nothing less than the international division of production and the fruits thereof. Indeed, "the kinds of techniques used by governments both to attract and to constrain multinational firms sometimes look like the largest nontariff barriers of all."[8] Unless host countries cease their efforts to tilt the benefits of investment in their own direction, which is unlikely (and undesirable unless accompanied by other steps to help them achieve their legitimate objectives), the clash of these particular national interests could become a central problem of world economics and politics.

Over the coming decade, international investment policy could therefore replicate to an unfortunate degree the evolution of international trade policy in the interwar period. At that time, trade was the dominant source of international economic exchange. As governments accepted increasing responsibility for the economic and social welfare of their populations, particularly with the onset of the Depression, they sought to increase their national shares of the international benefits which resulted

[8] A. E. Safarian and Joel Bell, "Issues Raised by National Control of the Multinational Corporation," *Columbia Journal of World Business*, Winter 1973, p. 16.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from trade. Other governments would not accept such diversion, and either emulated the moves of the initiators of controls or retaliated against them. There were no international rules and institutions to deter and channel such conflict. The result was trade warfare, and the deepening and broadening of the Depression.

Some observers fear that another depression looms on our contemporary horizon. Others wonder whether a Great Inflation, which in my view is more likely, will similarly lead countries desperately to pursue nationalistic measures in an effort to export their problems and insulate themselves from external pressures. Either cataclysm would greatly intensify the problem under discussion. Indeed, the national clashes outlined here might already have arisen much more frequently had not the postwar world economy progressed so successfully until recently.

Even without such extreme underlying conditions, however, the struggle for the international location of production will almost certainly continue to grow in both magnitude and impact on all countries concerned. Foreign direct investment and multinational enterprises have now replaced traditional, arms-length trade as the primary source of international economic exchange. As indicated throughout, host countries are increasingly adopting explicit policies to tilt in their directions the benefits generated by those enterprises. The impact of these efforts may turn out to be even greater than their trade predecessors of the 1930s, both because the economic interpenetration of nations is now more advanced than in the 1920s and because governments now pursue so many more policy targets.

Indeed, the U.S. government has already begun to voice opposition in international forums to the tax subsidies and other incentives which artificially lure U.S. firms to invest abroad, and the changes in U.S. taxation of foreign income proposed by the Treasury Department in April 1973 were largely aimed at countervailing such practices. Much stronger U.S. reactions can be envisaged over the next few years. The original AFL-CIO attack against foreign investment by American firms, as embodied in the Burke-Hartke bill, was based on ambiguous aggregate data and a handful of unrepresentative individual cases. Hence it made little headway. The efforts of the Treasury Department to limit direct investment outflows in the middle 1960s were similarly stymied by ambiguities over the effect of the outflows on the balance of payments.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But now labor, those concerned with the balance of payments, and the many other opponents of multinational enterprises will have a much stronger case: the shifting of benefits from the United States to host countries *through the overt policy steps* of those host countries. Such groups will ask how the U.S. government can sit idly by and let such shifts occur, just as similar American groups have since the 1930s—correctly and usually successfully—insisted that the U.S. government retaliate against the efforts of other countries to tilt the benefits of trade through subsidizing exports to the United States, blocking imports from the United States, or other measures of commercial policy which injured U.S. economic interests. And there are no domestic or international rules and procedures through which to channel such protests, like those developed for trade after World War II to avoid a repetition of the interwar experience.

The problem is further exacerbated by the subtlety and variety of inducements offered, and requirements levied, by host countries. A tariff or import quota is easy to see, and is usually known publicly. But a regional investment grant can be negotiated privately with a firm, and portrayed as "purely domestic" in any event if exposed. Export or job quotas, which are by their nature negotiated on a case-by-case basis, are even less obvious. The universal call for "transparency" of the operations of multinational firms must be joined by a call for transparency of the policies of many host countries toward those firms.

VII

The scenario envisaged at the outset of this article can thus be concluded as follows. After the Canadian government approves the proposed investment, because it transferred x thousand jobs and y million dollars of exports from the United States to Canada, the U.S. government—under intense domestic political pressure—decides to retaliate. It seeks to bar the particular investment, either directly or by declaring that the foreign tax credit will not apply to its profits.

Either approach, however, requires legislation. Congress, probably supported by any Administration in power, properly decides that such legislation should cover the overall issue of foreign investment rather than a single case or even a single country. The legislation clearly derives from a foreign action to pull jobs and exports away from the United States, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

more examples of such actions, by a growing list of host countries, are added to the debate each day. The whole discussion may even take place with unemployment rising and the trade balance slipping. Thus the new legislation slaps a licensing requirement on all foreign investment and eliminates the tax credit altogether, except perhaps for investments where host countries avoid levying any requirements on U.S.-based firms.

Canada and most other host countries of course stick to their guns, being unable politically to back down in favor of multinational firms and at the dictates of the U.S. government. Foreign-based multinationals quickly begin to fill the void, and the United States begins to lose the many advantages conferred on it by the foreign investments of U.S.-based firms. Many of these firms then seek to "leave the United States," but the Treasury pursues them. In the end, as in the trade wars of the interwar period, the results include open political hostility among nations, a severe blow to the world economy, and a shattering of investor confidence.

Hopefully, the world will learn from its past mistakes and prevent this scenario from ever occurring. To do so, host countries should limit their efforts to skew the activities of multinational firms, perhaps by following the Australian example of insisting on "no adverse effects" rather than the Canadian example of requiring "significant benefit." But many will not do so unless some other power countervails the power of the firms. Nor will many of them, particularly the developing countries, do so unless they find other ways to meet their legitimate national aspirations.

It follows that home countries, particularly the United States, should take steps to help developing host countries achieve their goals in less disruptive ways. Such measures should encompass trade policy, commodity arrangements, and foreign assistance.[9]

More narrowly, home countries will also need tools that can be used to counter efforts of host countries that go beyond reasonable norms. For example, legislation increasing taxation of the foreign income of American corporations to offset tax inducements offered by host countries would be a precise analogy to present laws, in the trade field, that provide for countervailing duties against export subsidies by foreign governments. And a mechanism is needed to deal with individual cases where problems arise, analogous to the present escape clause in the trade

[9] See C. Fred Bergsten, "The Threat From The Third World," *Foreign Policy*, Summer 1973.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

area providing for temporary protection where U.S. interests are injured by particular import flows.

But such measures by home countries could simply lead to a series of retaliatory and counter-retaliatory steps between them and host countries. Thus international investment wars will be prevented only by the adoption of a truly new international economic order, just as the trade wars of the 1930s were prevented from recurring in the postwar period only by the creation of a new international order based on the GATT, the IMF, the World Bank and American leadership.

The new order will have to include international rules governing investment itself, to limit the jousting for benefits between home and host countries and to provide a channel for the disputes that will inevitably arise among them, however ambitious the preventive rules. It will have to limit the power of the firms in ways acceptable to host countries, and provide alternative means for the latter to reduce domestic unemployment and expand exports. Multinational enterprises have a vital interest in the creation of such a new order, because they will otherwise be caught increasingly in the struggle between host and home countries; it will no longer be possible for them to side with home countries due to the weakness of the hosts, as in the 1950s and early 1960s, nor with hosts due to the inattention of the home countries, as in the late 1960s and early 1970s.

There are already many reasons to begin the construction of a new international economic order to replace the order of the first postwar generation, which has collapsed: the globalization of inflation, international monetary instability, the growing use of export controls, the scrambles for oil and other natural resources, the dire needs of the resource-poor countries of the "Fourth World" and the abilities of the new "middle class" of semi-developed countries to help in assisting them.

The threat of investment wars adds another crucial issue to the list for global economic reform. Fortunately, this particular threat has not yet become acute. There is time to deal with it carefully and constructively, instead of waiting for a series of crises to force hasty reaction. To begin to do so would both defuse the emotional issues raised by the existence and spread of multinational enterprises, and begin to apply the tested principles of international rules and cooperation to one of the major new features of the postwar world economy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MULTINATIONAL CORPORATIONS IN WORLD POLITICS

By Joseph S. Nye, Jr.

AS dramatic as the rise of the multinational corporation has been its increased political prominence. The very term implies a political visibility not associated with the words "direct investment" that were used a decade ago. In the past two years the role of these spreading enterprises has been debated in the International Labour Organisation, the Organization for Economic Cooperation and Development, the European Community, the U.S. Senate and the U.N. General Assembly. During 1973 a "Group of Eminent Persons" met under the auspices of the U.N. Economic and Social Council to study the role of multinational corporations in international relations and the process of development.[1]

To the common (and oversimplified) question whether multinational corporations are likely to render the sovereignty of the nation-state obsolete, the answer surely is a qualified "no." The multinationals are undoubtedly a large force to be reckoned with. There are currently some 200 large multinational enterprises or clusters of corporations which operate simultaneously in 20 or more different nations and are joined together by common ownership and management strategy.[2] The three billion dollars of value added annually by each of the top ten multinationals is already greater than the gross national product of some 80 member-states of the United Nations, and some observers are predicting that by the end of the century 300 giant corporations will account for a large majority of world industrial production. Yet even weak states can and sometimes have nationalized the local affiliate of a

[1] Of the 20 persons appointed, eight came from less-developed countries, two from Communist countries, and ten from the "rich" countries, including two Americans, Senator Jacob Javits of New York and J. Irwin Miller, Chairman of the Cummins Engine Company. During 1973, the Group heard testimony from corporate presidents, professors, trade unionists and general social critics, and in the summer of 1974 presented its report. U.N. ECOSOC, *The Impact of Multinational Corporations on Development and on International Relations*, E/5500/Rev. 1 1974.

[2] In a document prepared for the Group of Eminent Persons, the U.N. Secretariat discussed problems of alternative definitions, and pointed out that the number of multinationals can be set as high as 7,300 if one foreign affiliate is set as the criterion. *Multinational Corporations in World Development*, ST/ECA/190, 1973. While the term "enterprise" is more strictly accurate, "multinational corporation" remains the more popular term.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

multinational corporation. For the foreseeable future, the two kinds of entities will continue to coexist, in uneasy tension.

Why do multinational corporations now seem to many nations to represent an important threat? What in fact are the intended or unintended political roles they play? What can one now say about the longer-term impact of multinational corporations? And, the most acute subject of present controversy, what can be done to cushion or regulate the conflict that many now see between multinational corporations and the less-developed countries?

II

Apart from their sheer size, the significance of multinational corporations has acquired an additional dimension in consequence of the growing prominence of economic and welfare-oriented objectives in the national security equation. Nuclear technology and changing domestic values have made the use of military force a more costly option for the governments of the advanced industrial societies. While in extreme situations force is indeed necessary to guarantee national survival, much of international politics is not extreme and not about survival, and in these areas military force is far too blunt and costly an instrument to be useful. (A threat of bombardment may have helped the United States to induce Japan to trade a century ago, but it was not a useful instrument in the recent struggle over the value of the yen.)[3] Most national security policies in today's world are designed not merely to insure the physical survival of individuals within national boundaries, but to assure some minimal expected level of economic *welfare,* a certain political and social *autonomy* for the nation, and a degree of national political *status*. Indeed, some national security policies actually increase the risks to physical survival in order to insure greater certainty in the enjoyment of economic welfare, political status and national autonomy.

For many states, the strongest sense of threat has shifted from the military area and territorial integrity to the economic area. Often such threats are unconventional and unintentional. As the distinguished Canadian John Holmes has described Canada's relations with the United States, "it isn't Washington we have to

[3] The relationship between politics and economics is developed in "World Politics and the International Economic System," by Robert O. Keohane and Joseph S. Nye, Jr., in C. Fred Bergsten (ed.), *The Future of the International Economic Order,* Lexington, Mass.: D. C. Heath, 1973.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fear. It is Houston and Pittsburgh and Hollywood. . . . Our fear is not that the U.S. army will destroy Toronto a second time, but that Toronto will be programmed out of existence by a Texas computer."

Thus it becomes quickly apparent why multinational corporations have become important in world politics whether they wish it or not. Shifts away from the use of force are shifts away from the area of corporate weakness, and shifts toward greater prominence of economic welfare objectives are shifts in the direction of corporate strength.

Beyond this, generalizing about the political roles of multinationals becomes rather complicated. Corporations invest abroad for a variety of reasons. Firms in service industries differ considerably in size and mobility from those in extractive industries or in manufacturing. Even within manufacturing there are important differences in the bargaining positions at home and abroad of firms whose investments are oriented more or less toward access to local markets, inexpensive labor or exploitation of a technological advantage. Moreover, the same firm may have a very different impact on a country with a weak economy and fragmented society than on a country with a balanced economy and stable government.

Nonetheless, in general terms, multinational corporations can be seen to play at least three important roles in the day-to-day processes of world politics. These are:

1. *The Direct Role: Private Foreign Policy*

Here lie some of the most dramatic examples—notably the case of the International Telephone and Telegraph Company (ITT) in Chile, which helped to stimulate both the U.S. Senate hearings and the creation of the special U.N. group. This sort of case becomes particularly notorious because it contravenes the traditional assumption of world politics that governments deal with governments and that citizens or corporations affect governments of other countries indirectly through policies they press upon their own government. But here citizens and corporations are also affecting the governments and politics of other countries by dealing with them directly, quite apart from the activities of their home governments.

It is true that the widespread publicity attendant on such dramatic cases may lend them a disproportionate significance. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Chilean disclosures are informative in that ITT was notably unsuccessful in persuading other multinational corporations to join in direct political intervention. While evidence about this type of direct role is almost impossible to assemble scientifically, present evidence suggests that cases of major direct political involvement such as United Fruit in Guatemala in the 1950s, Union Minière in Katanga in the 1960s, or ITT in Chile in the 1970s, are a small portion of state-corporation interactions. Indeed, one careful case study that documents the political roles of American corporations in Peru indicates a trend away from such blatant direct political involvement.[4] If we conceive of a scale of direct political actions by corporations ranging in descending order from the hiring of private armies through the bribery of host country soldiers or politicians, campaign contributions to political parties, legitimate lobbying of host government legislators, and so on down to advertising to influence the climate of ideas,[5] we would undoubtedly find most direct political activities clustered at the lower end of the scale.

Nonetheless, direct transnational political behavior can be of crucial importance to particular states. Beyond the rather routinely used battery of lower-level political activities, corporations may also use economic means (both inducements such as the promises of new investment, and deprivations such as threats of withdrawal) in direct bargaining with host governments for favorable policies.

When one considers the direct political role of the corporation in world politics, it is useful to drop another traditional assumption, that states always act as coherent entities. If one recognizes that different groups in societies have different interests and that governments are sometimes alliances of competing bureaucracies pulling in different directions, one can conceive of policy coalitions composed of parts of different governments and corporations.

Private foreign policies toward host countries thus may work on internal differences within a country or may try to bring outside pressure to bear. Faced with the prospect of Chilean copper nationalization in the late 1960s, Anaconda relied on the local

[4] Charles T. Goodsell, *American Corporations and Peruvian Politics,* Cambridge: Harvard University Press, 1974.

[5] Or not advertising. In 1972, some U.S. companies in Mexico organized an advertising boycott of the "anti-American" newspaper *Excelsior.* (*The New York Times,* June 23, 1974).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

political defense of forming an alliance with the conservative elite in the host country—to no avail. Kennecott, on the other hand, worked out a sophisticated external defense based on transnational market and credit networks, so that when nationalization occurred the Chilean government would jeopardize its standing with credit institutions on several continents if it failed to provide adequate compensation. In situations of rising nationalism, the latter strategy may be the safer for a corporation. In retrospect, Harold Geneen, president of ITT, has argued that:

> the answer may be a multinational approach. By this I mean the Germans, the Swiss, the World Bank, and others share in the investment. Then six countries are involved, not one. If something goes wrong, the countries can get tough and do things. You don't go to war, but maybe everybody refuses to give the offending country credits.

Finally, it is important to make clear that transnational coalitions do not always direct their influence toward host-country governments. The radical critique of multinationals, focusing on their penetration of weak states, or on alliances between corporations and central sectors in peripheral states, sometimes ignores the fact that these enterprises can also affect the coherence of home governments and societies. A prime example is the international lobbying that has taken place over a new seabed regime. There one could find oil companies (and some elements of the U.S. government) allied with some relatively cohesive poor states and against the official U.S. government position.

2. *The Unintended Direct Role: Instruments of Influence*

Apart from any political initiative of their own, the existence of corporations with decision domains crossing several national boundaries has provided an additional instrument that governments may attempt to use in their relations with each other. For example, the United States has attempted through extraterritorial control of the trading relations of affiliates of U.S.-based corporations to extend its foreign policy embargoes into the jurisdiction of other states. Similarly, in the 1960s, the United States used guidelines on capital transfers by multinationals to strengthen its international monetary position. And there can be little doubt that the U.S. government has on occasion been able to use, wittingly and unwittingly, the information-gathering capacities of global corporations domiciled in America for intelligence purposes.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Examples of political problems arising from such instrumental use are not hard to find. Of 16 conflicts cited by J. N. Behrman as arising from corporate activities among the Atlantic nations in the mid-1960s, 12 involved the American Trading with the Enemy Act, one involved computer technology related to nuclear weapons, and three involved enforcement of U.N. sanctions. In none of these cases did a corporation directly or deliberately provoke or profit from the conflict. And in the data assembled by David Leyton-Brown on 61 public conflicts in Britain, Canada, and France arising as the result of the activities of multinational corporations, interstate conflicts arose primarily from extraterritorial assertions of jurisdiction. In only two cases did a multinational enterprise seek the diplomatic support of its parent government.[6]

Manipulation of transnational corporations, however, is an instrument available to the host as well as the home government (an aspect to which the U.N. report gave little attention). The most dramatic recent example was the 1973 oil embargo. While the companies exerted some independence in diverting non-Arab oil to the Netherlands and the United States, the Arab countries were able to obtain almost total company compliance in regard to Arab oil. Even a small country like the Philippines was able to use a threat to nationalize American corporations in the 1960s to induce the U.S. government to extend trade preferences.[7]

Canada, with a third of its corporations foreign-owned (58 percent by value in manufacturing), is sometimes cited as a victim of the home government's ability to manipulate its corporations. Yet in a recent study of 31 non-trivial conflicts between the United States and Canada that reached the presidential level in the 1950s and 1960s,[8] corporations were used as instruments as often by the Canadian government as by the U.S. government. Altogether nine of the 31 cases involved activities of transnational corporations; in five of the nine, corporations played an

[6] J. N. Behrman, *National Interests and the Multinational Enterprise,* Englewood Cliffs, N.J.: Prentice-Hall, 1970; David Leyton-Brown, "Governments of Developed Countries as Hosts to Multinational Enterprise: The Canadian, British and French Policy Experience," unpublished Ph.D. dissertation, Department of Government, Harvard University, 1973, p. 423.

[7] J. N. Behrman, "The Multinational Enterprise and Nation States: the Shifting Balance of Power," in A. Kapoor and Phillip D. Grub, (eds.), *The Multinational Enterprise in Transition,* Princeton: Darwin Press, 1972, p. 420.

[8] J. S. Nye, "Transnational Relations and Interstate Conflicts: An Empirical Analysis," to be published in *International Organization,* Autumn 1974.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

active lobbying role, but in four others, they were used (successfully) as instruments by governments—twice by the United States and twice by Canada. In the auto pact of 1965, the Canadian government achieved its objectives by obtaining letters of intent from the American auto companies, and on the Arctic sovereignty issue it got a de facto acceptance of its jurisdiction from Humble Oil. In general, Canada did no worse in government bargaining in cases involving foreign corporations than in those in which corporations were not involved. As Americans found out in the auto pact or in the oil negotiations at Tehran in 1971, multinational corporations have their own interests; when they are pressed in different directions by different governments, they cannot automatically be expected to be hard bargainers on behalf of the U.S. government's interests.

Fixed investments can be hostages as well as outposts—not only for governments but also for non-state groups. The corporation as hostage has provided a particularly valuable instrument for terrorist groups, both as a source of finance and as a means of destroying a government's credibility. Within the past year, in Argentina alone, guerrillas have kidnapped 12 foreign corporate officials and raised some $36 million in ransom.

Political suasion, rather than force, is also used against the corporations by non-state groups. Pressure from black workers in the United States, for example, led Polaroid to adopt policies in South Africa that were designed to improve the social position of the South African Blacks.

The important point is that direct investment creates a transnational interdependence which groups or governments may try to manipulate for their own political purposes. Governments and interest groups in both developed and developing countries frequently employ this instrument, even as they may deplore its use at other junctures. A double standard is widely applied in this area.[9]

3. *Indirect Roles: Setting the Agenda*

Why some issues rather than others absorb the attention of statesmen is a question of considerable political importance that has received too little attention. Even if they had no other effect,

[9] The recent U.N. report is no exception, seeming to deplore multinationals' pressure on host governments at some points, while inviting home governments to influence corporations to further positive social objectives within host countries in others.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the intentional and unintentional roles of multinational corporations in helping to set the agenda of interstate politics have been significant. Their lobbying for particular actions by their home government toward the host country is familiar but nonetheless important, often taking the form of appeals for intervention in support of claims against host governments. As a classic example, in the 1960s the dispute between the International Petroleum Corporation and Peru became a tail that for years wagged the dog of American policy there.

In other cases, such as the lobbying of Congress by executives of multinational corporations in favor of more liberal tariff treatment of the host country by the home country, the lines of policy influence run in the other direction. Canada has benefited from such allies in a number of instances. Perhaps most intriguing, in light of supposed ideological differences, has been the recent lobbying by business executives on behalf of more liberal trade arrangements with the Soviet Union. (Nor, one might add, is there much evidence for the charge that multinational corporations form a powerful lobby for a militaristic foreign policy. With a few exceptions, American multinational—as distinct from merely large—corporations do not have a particularly strong stake in military-oriented production or activities.)

Where multinational corporations have created conflicts among states, they have more often done so unintentionally than intentionally. One can identify three major unintended effects on the political agenda. First, in the past decade, the transnational activities of such enterprises have given rise to conflicts of jurisdiction and problems of extraterritoriality in such matters as antitrust, capital controls, trade restrictions, and taxation policy.

Second, multinationals have had major effects on the flow of trade and money. It may startle the uninitiated that production by subsidiaries of corporations outside their home countries has now grown to over twice the total value of trade among the developed countries. Moreover, a significant portion of international trade (more than a quarter of U.S. exports by some estimates) has been transformed from "arms length" to intra-enterprise transactions, between one arm of a multinational corporation and another. The result is that a variety of new trade policy questions have been put on the intergovernmental agenda and become intertwined with a broader range of industrial policy questions. Similarly, the ability of a few score corporate treas-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

urers, thinking globally and acting rationally, to transfer vast sums with extraordinary rapidity was one of the factors that contributed to the inability of countries to maintain an international monetary system based on fixed exchange rates.

Third, multinational corporations have unintentionally affected the agenda of interstate relations by stimulating other social groups to press for particular governmental policies. Groups such as banks, advertising agencies, and some labor groups have been stimulated to press for policies of liberalization that would permit them to emulate the transnational strategy of the multinational corporation. Other groups, particularly most of labor, which are less transnationally mobile and feel themselves threatened or disadvantaged by the activities of the corporations, have pressed their governments for protective or nationalist policies. An apt example was the recent struggle between transnationally mobile corporations and the relatively immobile labor unions over the Burke-Hartke bill, which would have sharply affected the trade and investment policies of the United States.

III

It is easier to identify the various roles of multinational corporations in the day-to-day processes of world politics than to assess their likely long-term effects on its structure. Will they become more important as actors or instruments in world politics or have they passed their period of prime political importance? If they continue or grow in importance, will they have beneficial or malign effects on the creation of a peaceful and just world order? Will they redistribute power, wealth and status or lead to their increasing concentration?

It is sometimes argued that the political importance of the multinational corporation is a product of a unique confluence of factors in world politics in the decades following World War II. A major aspect of this situation was American military strength and a geographically broad definition of security that resulted in what has been called a Pax Americana. According to this line of thought, the multinational corporation is largely a creature of American political preponderance in the period following World War II, and will recede in economic and political importance as the American government defines its security interests in less expansive terms in the aftermath of Vietnam.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

While there is certainly some relationship between the Pax Americana and the transnational activity of multinational corporations, it is not as simple as this "military-security determinism" implies. First, it is sometimes forgotten that the American multinational corporation arose in the nineteenth century when the United States was a net debtor; that it was not (then or later) located primarily in the Caribbean and Latin America; and that it had already created fear of a *défi américain* in Europe at the turn of the century. In fact, U.S. direct foreign investment was as large a percentage of GNP (seven percent) in 1914 as in 1966.[10]

Second, the causes of growth and the causes of continued existence are not necessarily the same. Sorcerers' apprentices have been known to take on lives of their own. While the United States was the primary source of the rapid growth of multinational corporations in the postwar period, there is a current trend toward the development of European- and Japanese-based multinationals. American preponderance as a source of direct foreign investment (some 60 percent of book value in the mid-1960s) is slowly being eroded by the more rapid growth rates of European and Japanese direct investment. Moreover, the past and future relations of Swiss and Swedish multinationals to a Pax Americana is at best uncertain and indirect.

Third, some 70 percent of U.S. direct investment is located in other advanced industrial societies, not in the less-developed countries. Yet it is the latter which are the most likely areas to be left out of a more narrowly defined conception of national military security.

In other words, the erosion of bipolarity and the decline of American hegemony need not diminish the role of multinational corporations unless it should be accompanied by a shift toward greater use of force and away from economic welfare goals. While it is true that multinational corporations exist within, and are affected by, the structure of political-military relations in world politics, it does not follow that the postwar Pax Americana is the only such structure under which they could prosper.

A somewhat different case for projecting a decline in the political importance of multinational corporations might be based on the continued importance of nationalism and on long-term trends

[10] Contrast Robert Gilpin, "The Politics of Transnational Economic Relations," in Robert O. Keohane and J. S. Nye (eds.), *Transnational Relations and World Politics,* Cambridge: Harvard University Press, 1972, with Mira Wilkins, *The Emergence of Multinational Enterprise,* Cambridge: Harvard University Press, 1970.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

toward government intervention in economic affairs. Protectionism is not a temporary aberration. Governments are unlikely to give free rein to organizations that powerfully affect their economies, and that threaten feelings of national autonomy and national status. The trend toward politicization of issues of direct foreign investment is likely to continue. Indeed, the process is prompted by the rapid growth and large scale of multinational corporations as they stimulate domestic groups to emulation and opposition.

Such politicization, however, need not imply a decline in political importance. If multinational corporations were merely a nuisance or an inconvenience, states could simply curtail them by resorting to restrictive economic policies or their police powers. Multinationals, however, present opportunities as well as problems. Governments are faced with trade-offs between their objectives of welfare and autonomy. Even when government controls constrain and diminish the direct corporate role in world politics, they may simultaneously increase the indirect importance of multinational corporations as an instrument or agenda item in intergovernmental politics.

Thus, the odds are that both the size and political impact of multinationals will continue to grow. On the other hand, predictions that 300 giant corporations will run the world economy tend to be based on simple projections of past ten-percent annual growth rates, and fail to take into account some of the disadvantages that appear with large size, particularly in manufacturing, when temporary monopoly advantages have been competed away. The challenge to governments will come more from global scope and mobility than from corporate size. Even smaller multinationals can make crucial allocative decisions that challenge the welfare goals of governments.

Corporate mobility (which is greater in service and some manufacturing than in extractive industries) is not only a challenge to small states, but also to large states like the United States (and particularly to groups like labor which influence the foreign policy of large states). If there is increased movement of some corporate headquarters and major divisions, whether to remote and pleasant tropical islands as some foresee, or simply in the form of shopping among developed states, the process of separating or differentiating corporate and home government interests will be speeded along.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Today most multinational corporations can be identified with a single home country. They are multinational in operation, but rarely in ownership or top staff. Home governments tend to have jurisdiction over a major portion of the corporate empire's assets, and to have close informal ties with top management. Nonetheless, because corporate profits and growth come to depend on economic and political conditions in political jurisdictions other than that of their home government, corporations gradually develop a view of their short-term interests coinciding with different governments at different times, and of their long-term interests as different from the interests of any particular state. The point was put rather dramatically by Carl Gerstacker, Chairman of Dow Chemical, when he admitted to dreaming of buying a neutral island for Dow's headquarters, "beholden to no nation or society."

This trend toward corporate differentiation from both home and host countries has not yet gone very far. Of some 193 manufacturing firms that operate transnationally and for which data was available, the U.N. Secretariat found only nine percent had more than 50 percent foreign content in employment; seven percent derived half or more of their earnings from abroad; and some 14 percent had half or more of their sales abroad. Nonetheless, some corporate developments do seem to point toward increased multinationality and autonomy of staff. Technological improvements are continuing to reduce the costs of communication and to enhance the corporate capacity to develop global strategies divorced from identification with the interests of any particular country.

This trend is complemented and to some extent reinforced by political attitudes toward multinational corporations in their home countries. A decade or more ago, multinationals were much less an object of domestic controversy, and it was widely assumed that the interests of American-based multinationals were roughly similar to the "national interest." Today the range of domestic attitudes is more diverse. The AFL-CIO has called for limits on direct foreign investment, and Senator Jackson has accused oil companies of disloyalty for obeying the embargo of Saudi Arabia even on deliveries to the U.S. Navy. While such criticism may force some firms to a closer identification with their home government, it is at least equally likely that the experience will encourage other firms to move activities out from under their orig-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

inal "home" jurisdiction. It is said that some American-based corporations, with nearly half their operations abroad, planned in the event of congressional passage of the Burke-Hartke legislation to establish binational structures, with European headquarters handling operations outside the United States.[11]

If the trends toward growth and differentiation of multinational corporate interests from national interests continue, would the effects on world order be benign or malign? Not surprisingly, there is a good genie and a bad genie theory of whatever may be escaping from the national bottles.

The enthusiasts, or optimists, endorse the growth of corporate autonomy as having a profound potential for transforming world politics and creating a better world order. Increasingly autonomous corporations, in this view, can even transform world politics from a contest among states into a broader game with more actors who focus primarily on welfare-oriented goals. Multinationals will become a vehicle by which mankind transcends the nation-state, our dominant international institution of the past four centuries. States will not cease to exist, but transnational production units will take over a large part of their role in providing for the citizens' welfare—and will even claim a proportionate share of their loyalties. These broadened economic domains will call forth new political institutions that go beyond the nation-state.

The optimists thus see the multinational corporation tying the world together in a meaningful way. It shifts industrial production toward the poorer parts of the globe. It transfers technology and managerial resources from advanced to less-developed countries. It promotes both regional and global economic integration. *The Economist* has predicted, for example, that by the end of the century most automobile and machinery production will be carried out in less-developed countries. As it becomes politically difficult to bring workers from poor countries to jobs in rich countries, multinational corporations will promote global economic integration by taking the jobs to the workers.

The multinational corporation may also help to erode the great ideological cleavage that divides the world. Already there are more than a thousand agreements between Western corporations and Communist countries. Many of these are simple arrangements for "turn-key" plants. (A multinational corporation builds

[11] I am endebted to Howard Perlmutter of the Wharton School for this point.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a plant, turns it over to the Communist government, and is paid out of future production.) But a number of Communist countries in Eastern Europe have found that long-term managerial involvement by the multinational corporation is a better way to insure continuous inputs of managerial and technological resources. Now some East European governments, particularly Yugoslavia, have followed this logic a step further, and to insure full access to the latest generation of technology have invested abroad, often in joint ventures with multinationals. Should this trend continue, it would require ideologists to reinterpret their view of imperialism as the transfer of labor's surplus value across national borders and raise questions about the simple equation of multinational corporations, capitalism and imperialism.

Looking further ahead toward the end of the century, it is possible that the multinational corporation will itself evolve into a new and flexible form of functional international organization. Not only will East European (and other) governments participate, but with increasing politicization of the question of control of multinationals in their former home countries, demands may increase for government, labor or consumer group representation on their management boards. Large segments of world industrial production will be managed by large public and quasi-public multinational corporations as well as a host of smaller private ones. Autonomous management (regardless of ownership) will provide flexibility and efficiency in the organization of global production. Questions of public versus private ownership will have been transcended. Only questions of managerial autonomy versus democratic control will remain.

Pessimists share with the optimists many of these projections about the future of multinational corporations—but see the malign effects prevailing over the benign. The economic benefits of global integration, they feel, will be unevenly spread and some areas will gain very little, so that the resulting inequality is likely to breed conflict. Moreover, even if multinational corporations distribute industrial production more evenly about the globe than is now the case, they will tend to centralize strategic decisions in regional coordinating centers and at global corporate headquarters. Technologies and areas to develop will be determined from a few key cities in the advanced countries, surrounded by regional sub-capitals, while the rest of the world is confined "to lower levels of activity and income, i.e. to the status

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of towns and villages in a new Imperial System."[12]

This might not matter if economic welfare were the only goal that peoples seek. But middle classes seek high status occupations that are associated with managerial and research functions. In addition, people often desire status for their nations, and some sense of autonomy, of helping to shape decisions rather than always feeling shaped by them. Such people fear that the transnational systems of production organized by multinational corporations will perpetuate and even accentuate an international economic structure that leaves them dependent on the advanced countries. Slogans of "global interdependence" frequently gloss over the reality that it makes an important political difference if one party is continually more dependent than the other.

As multinational corporations become more autonomous, this sense of dependence, threatened status, and lost autonomy may not be confined to poor countries. Social groups and regions within advanced countries may experience the same feelings. Autonomous corporations are a challenge to governments and politically important groups in large states as well as small.

According to this view, the diminution of the role of the nation-state would signal a new feudalism rather than healthy progress. Kings and corporate barons will engage in conflicts and coalitions, but the serfs of the world will suffer. The real global divisions will not be among nations, but between a world city knit together by transnational elites and the diverse but intense parochialisms of the world countryside. The decline of the nation-state would not be a sign of health but a sign of disaster: "a sound international order cannot be built on the wreckage of nation-states."[13] The nation-state provides the internal order and sense of political community that underlie democratic institutions, and there is little prospect that our political norms can be adapted to keep pace with the evolution of powerful and autonomous transnational corporations playing increasingly political roles.

IV

At the extremes, neither the optimistic nor the pessimistic view of the future seems likely to come to pass. Indeed it is unlikely that there are any prognoses that represent reality as it will be at

[12] Stephen Hymer, "The Multinational Corporation and Uneven Development," in Kapoor and Grub, *op. cit.*, p. 441.

[13] David Calleo and Benjamin Rowland, *America and the World Political Economy*, Bloomington: Indiana University Press, 1973.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the end of the century. What is clear, however, is that the evolution of multinational corporations has tremendously important implications for current and future world order. Apart from the direct and indirect political roles they already play, their effects on the long-term structure of world politics amply justify the attention of a United Nations charged by its Charter to achieve cooperation and harmonization of the actions of nations.

On any reading the most likely intermediate prospect is that the relations between multinational corporations and nation-states will continue to be mixed. To a certain extent they are complementary institutions: one, the corporation, pursues (with a few notorious exceptions) a relatively specific set of economic objectives; the other, the territorial community of the nation-state, seeks a broad range of goals. Each institution can profit from the activities of the other.

But it is also amply clear that conflict is endemic in the relationship. As non-territorial entities without military force, corporations are not a threat to the physical survival of a nation, but their economic power can be used to threaten particular political parties or ruling regimes. Second, while multinational corporations may bring in the technological and managerial resources that enhance national autonomy vis-à-vis other states (and vis-à-vis the corporations themselves in the long run), there may be high costs in terms of autonomy in the short term, and possibly over the long run as well, if a structure of dependent relationships becomes firmly established with strong local roots. Third, although corporate contributions to development may in one sense enhance national status, a too-powerful foreign ownership (particularly if high-status managerial and research jobs are concentrated abroad) may be seen as a threat to national status in another sense. This is the contrast, and dilemma, that seems to have developed in Canada in the course of the past decade.

Even in regard to economic welfare, where corporate benefits are likely to be greatest, a certain amount of conflict is unavoidable. What distinguishes the modern multinational enterprise from the large international corporations of earlier centuries is its global management strategy, made possible by the technology of modern communications. The most honest corporate manager allocating resources rationally within a transnational perspective is bound to have conflicts of interest with the most reasonable of statesmen whose rationality (and democratic responsibility) is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bounded by national frontiers. For example, Chrysler resisted British government pressures in 1971 and granted an inflationary wage increase to its British workers, not because it wished to thwart the government but because the increased wage costs were less important, from a global point of view, than avoiding disruption of production for the American small car market.

Given the complex pattern of potential threats and benefits that multinational corporations present in relation to a variety of national values, it is sensible to expect conflictual relationships. It is equally likely, however, that the conflicts will frequently be of the type that have solutions from which both parties can benefit. In many instances, the enlarged size of the pie can be more important than the size of the slices. A basic principle for an international economic order will be to enhance situations in which joint gains are perceived and shared by states and corporations. This will help to diminish the intensity of conflicts.

However, since many national values are involved, and their intensity may vary among nations and over time, a second and equally important principle must underlie a just international economic order. National communities must be allowed to decide for themselves what degree of interdependence with corporations they find optimal and what they are willing to pay for it. If the benefits of multinational corporations are as great as proponents claim they are, then there should be no objection to letting host countries choose freely. If the economic, social and political costs are as great as the critics charge, then host countries should be free to reject the transnational organization.

V

These two principles—that all parties should seek to enhance actual and perceived net economic gain, and that in the end individual nations must be free to decide—help to illuminate the most difficult area of present and potential conflict, that involving the relationship of multinational corporations to the less-developed countries.

This is the area which received greatest attention both in the deliberations and in the report of the U.N. Group of Eminent Persons. As the International Chamber of Commerce has correctly pointed out, the report thus does not focus on the two-thirds of investment that is among the developed countries. Nonetheless, the focus of the Group was politically justified.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Multinational corporations do pose greater political problems for less-developed countries, because of the difference in scale (General Motors' annual profits exceed the annual income of most African states), the sensitivity of post-colonial states to situations of dependence, and the internal cleavages that often make their polities both penetrable and fragile. Moreover, poor countries have generally found themselves as hosts, but rarely as homes of multinational corporations.

There has been no shortage of arguments recently about the economic costs and benefits of multinationals to less-developed host countries. Proponents contend that transferring technology and relocating industrial production from the richer to the poorer parts of the globe can only be done through transnational organization, to overcome what for many states is the economic irrationality of narrowly bounded political sovereignty. Unlike portfolio investment, the contribution of the multinational corporation is not so much the movement of capital as the organization of capital, management, technology and access to rich country markets into an economic package which is greater than the sum of its parts.

Critics, on the other hand, argue that the four parts of the package are often obtainable separately, and that the costs of "packaging" are too great. Among the costs sometimes charged to the corporation are inappropriate technology; creation of inefficient oligopoly patterns in small national markets; discouragement of local entrepreneurship; erosion of local economic policy and controls; stimulation of inappropriate consumer tastes; and illegitimate meddling in the local political process.

Evidence can be marshalled on both sides of the economic argument, and the facts vary from case to case. From a practical point of view, proponents and critics who focus on the system as a whole often fail to ask the crucial question: "What are the realistic alternatives in a given situation?" In some cases a critical factor such as advanced technology can be obtained by licensing; in other cases it may be unobtainable except as part of a corporate package. In some cases, access to markets is a simple matter; in others, protected markets in rich countries can only be reached through the sales network or political clout of a multinational corporation.

Less-developed countries can follow a wide range of strategies vis-à-vis multinational corporations. At the two extremes are the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

strategies of laissez-faire and complete exclusion. (The benefits or costs of exclusion look somewhat different depending on whether one thinks of it as the "Chinese" or "Burmese" example.) Another approach is to let multinationals enter on generous terms and renegotiate these terms as the factors that the corporations bring in become less scarce. This situation of "let them in and squeeze them later" has characterized many raw material investments, where the terms of the original bargain tend to become politically obsolete over time.

A quite different approach is the "high threshold." The Andean Group of countries, for example, permit entry only on quite stringent conditions (including eventual divestment), which are agreed to by the corporation at the outset. Other countries permit entry only if corporations agree to joint ventures with local capital or the local government. A further variant of this approach is to disassemble the four-part package of direct investment and allow corporations entry on contractual terms to provide a specific service.

These various strategies are discussed at some length in the U.N. Report. A recurrent theme in the dissenting comments is the fear that any restrictive strategies will discourage corporate investment in less-developed countries and inhibit the beneficial relocation of industrial production in the southern part of the globe. A common-sense conclusion, however, might be that each of these strategies promises different costs and benefits for different countries, and for different economic sectors at different times. No single strategy or legal regime is likely to satisfy all countries, or even the same country over time. For this reason alone, agreements on international legal regimes are distasteful to many less-developed countries.

As we saw earlier, multinational corporations can also follow a number of political strategies in their bargaining with host states: (1) they can appeal to their home governments for support; (2) they can use their economic power to participate in the local political process, legally or illegally; (3) they can organize external boycotts and restrictions of credit. Alternatively, the corporations can restrict themselves to economic agreements, attempting to convince host states that the corporation brings in resources from which there is a joint gain. In other words, they can seek to prove that the goose roasted is worth less than the goose laying golden eggs. As Charles Robinson, president of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Marcona Corporation, has put it, "the only thing that counts is whether you [the corporation] are worth more alive or dead."

If one is concerned with an international order that involves global equity and freedom of choice—or indeed if one seeks merely to avoid unbearable strain and conflict—it is clearly preferable that corporations eschew the more extreme forms of action and pursue the "golden egg strategy." A process of realistic discussions and bargaining with individual host countries is what is needed, and what a U.N. commission charged with developing international codes of conduct should attempt to promote—rather than rigid rules that cannot hope to cover the great variety of cases and political attitudes involved.

In line with the principle of free choice (and, one might add, with political realism), host countries must be free to disassemble the package of direct investment, to accept or reject all or part of any proposed investment project. But it is essential that the bargains be freely struck, and free choices require meaningful alternatives and accurate information. Particularly with regard to the less-developed countries, international institutions should help enhance the conditions and opportunities for free political choice on such matters as how much aggregate growth a people are willing to sacrifice for autonomy and experimentation (and vice versa). This requires dispelling the fear and mistrust that frequently blocks clear appraisal of self-interest by poor, weak countries. It also means discouraging the use of home government influence that goes much beyond normal diplomatic representation, or corporate political activities that prevent free choice by the indigenous political processes of the host state. As a number of comments in the U.N. Report indicate, it is unrealistic to expect governments to refrain completely from support of their corporations. Nonetheless, the basic diplomatic norms should reflect the principle of free choice.

VI

It is sometimes suggested that the only international institutions needed are those which would establish a legal order to facilitate the corporation's work. This view, however, fails to take into account the political roles of the corporation that we have described above. Even while pursuing economic goals, their involvement in the political process is too untidy and changeable to be contained within a static legal order.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Given deep-seated differences among countries, moreover, it is unrealistic at this stage to expect, for example, a strong supranational organization to oversee the activities of multinationals, or the global chartering of corporations as suggested by George Ball, or Charles Kindleberger and Paul Goldberg's "GATT for direct investment."[14] A global charter would formally denationalize corporate origin, but would remove none of the real conflicts stemming from the central dilemma of differing decision domains. As for a specific legal convention, the broader the agreement in numbers of countries or scope of subject matter the less likely the prospects for success.

The problem is not only one of organizing collective action among large numbers of states. It also stems from the basic political reality that underlies corporation-state bargaining, particularly between rich and poor. As Raymond Vernon has pointed out, when the basic bargain is political and may be obsolescing over time, poor countries consider it unwise to institutionalize a set of norms or adjudication procedures that represent a stage in which they are relatively less favored.[15] (This is one of the reasons why a number of countries have refused to join the International Center for the Settlement of Investment Disputes that has been established by the World Bank.)

The U.N. Report recommended the creation of an expert commission which would, among other things, work out codes of conduct for multinationals. This sort of continuing discussion and negotiation of codes of conduct is a more realistic approach to the task of creating and adjudicating norms than the more elegant solutions would be. As L. K. Jha, former Governor of the Bank of India and Chairman of the Group, commented in the report, developing countries need not feel disappointed with the recommendations if they look upon the report as the beginning rather than the end of an exercise in the creation of norms.

The U.N. Group also recommended the creation of an information and research center on multinationals as part of the Secretariat, and a number of specific steps, including technical assistance, designed to strengthen the bargaining position of the less-developed countries vis-à-vis the multinationals. Access to information, variable identity and mobility of resources are key as-

[14] "Toward a GATT for Investment: A Proposal for Supervision of the International Corporation," *Law and Policy in International Business*, 2 (Summer 1970).

[15] Raymond Vernon, *Sovereignty at Bay*, New York: Basic Books, 1971, p. 46.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sets of multinational corporations in their bargaining with states. Information that improves governments' knowledge about global corporate activities and about mutual alternatives can affect the terms of the bargain. Much of the information will be difficult to obtain and equally difficult to assess. Since knowledge is power, it will not be easily parted with, either by corporations or by governments. Many countries have weak rules for disclosure of corporate information, and sometimes governments find it to their advantage, on tax incentives for example, not to disclose the information they have. Even the Commission of the European Community has had to compile inadequate data on corporate mergers from public sources because some member-governments refused to share the information that they collected nationally.

Nonetheless, the collation and sharing of information from public sources can be useful to many governments. Moreover, the amount of information in the public domain may increase as national demands grow for corporations to demonstrate their contribution to the local economy. Comparison of such company national reports by an international staff can identify discrepancies and raise important questions. The usefulness of the international institution will be greater the more the staff develops a reputation for fair-mindedness. This last point is essential, since the only sanction which a U.N. Commission on Multinationals would have is publicity. This is not an insignificant sanction against corporations dealing with the public, but it would be quickly dissipated by biased work.

Not all governments have the ability to make full use of the information already available to them. Providing experts in this area can be an important function. Technical assistance cannot remove all conflicts from the interaction of weak states and foreign corporations, but at least it can help to dispel the mistrust that stems from fear of the unknown, and allow the parties to bargain on the basis of more clearly perceived self-interest. The experience of Harvard's Development Advisory Service in helping countries such as Liberia and Indonesia to improve the terms of their contracts with foreign corporations is an instructive example. Again, while controversy cannot (and should not) be completely avoided, a reputation for fair-mindedness is essential.

The obstacles to any larger role for the United Nations here are several. Specifically, there are the problems and pitfalls of "geographic distribution," extraneous politicization, and occa-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sional bias that beset the U.N. system. Steering clear of these will be essential. More generally, one cannot be too optimistic about states reaching agreement on international institutions in the short run, because, as we saw earlier, states have conflicting as well as complementary objectives vis-à-vis multinational corporations.

On the other hand, there are several trends that increase the elements of common challenge which corporations present to governments. With Europe and Japan growing rapidly as sources of direct investment, more of the crucial governments—and particularly the United States—will feel the divided interest of being both home and host rather than merely home to multinational corporations. Second, as we have seen, many corporations are moving toward differentiation of their corporate interests from the interests of either their home or host countries. Third, corporations are more and more caught up in politics, whether they will or no.

The initial response to these challenges is likely to be unilateral national efforts, rather than international cooperation. But conflicting unilateral policies can be self-defeating unless there are some international rules and mechanisms for coordination. Moreover, multinational corporations may find themselves so hindered by contradictory national regulations that they may press various governments to initiate efforts to achieve greater international uniformity. At this point the prospects for international economic organization improve. Whether the United Nations or another institution will acquire a sufficiently strong mandate to deal with the problem, the political challenge of the multinational corporation seems to be gradually leading to a concerted response. The role of the multinational corporation today cannot be understood merely in economic terms, but must be seen in terms of this larger political challenge and response.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Elizabeth H. Bryant

General: Political and Legal

Robert Gilpin

THE FASCIST PERSUASION IN RADICAL POLITICS. By A. James Gregor. Princeton: Princeton University Press, 1974, 472 pp. $15.00.

Gregor argues the thesis that contemporary radicalism, as espoused by Mao, Castro, and the New Left, is more akin to Italian fascism than traditional Marxism. Surveying conditions throughout the world, he believes that neither Lenin nor Wilson but Mussolini will prove to be the prophet of the twentieth century.

SECRECY AND FOREIGN POLICY. Edited by Thomas M. Franck and Edward Weisband. New York: Oxford University Press, 1974, 453 pp. $15.00.

A comprehensive and responsible attack on government secrecy with respect to foreign policy in the United States, Canada and Great Britain.

THE NEW DIPLOMACY AND ITS APPARATUS. By Geoffrey McDermott. London: Plume Press/Ward Lock, 1973, 208 pp. £2.95.

Controversial advice by a seasoned British diplomat to his countrymen on the ways of contemporary diplomacy and the appropriate role for Britain and its diplomatic service in the decades ahead. Americans could also benefit from his wise insights, such as those on the role of intelligence in statecraft.

THE CUBAN MISSILE CRISIS: INTERNATIONAL CRISES AND THE ROLE OF LAW. By Abram Chayes. New York: Oxford University Press, 1974, 157 pp. $5.95 (Paper, $1.95).

Chayes, Legal Adviser to the Department of State during the missile crisis, seeks to rebut the argument that statesmen conduct foreign policy giving only lip service to international law. On balance, a judicious and modest appraisal; yet, a skeptic could remain unconvinced.

DIVIDED NATIONS IN A DIVIDED WORLD. By Gregory Henderson, Richard Ned Lebow, John G. Stoessinger and others. New York: McKay, 1974, 470 pp. $12.50 (Paper, $5.95).

A highly competent analysis of divided and partitioned countries, including the cases of Ireland, Germany and Palestine.

THE SECURITY COUNCIL: A STUDY IN ADOLESCENCE. By Richard Hiscocks. New York: Free Press, 1974, 371 pp. $8.95.

A case-by-case history of the Security Council, covering the period from 1946 to 1969, which should prove to be a standard work on the subject.

NOTE—BY SPECIAL ARRANGEMENT WITH THE NEW MCGRAW-HILL BOOKSTORE, READERS OF FOREIGN AFFAIRS MAY OBTAIN ANY BOOK PUBLISHED IN THE UNITED STATES AT THE PUBLISHER'S REGULAR LIST PRICE. WITHIN THE U.S., PLEASE ADD 35¢ PER BOOK FOR POSTAGE PLUS APPROPRIATE SALES TAX. IF OUTSIDE, PLEASE ADD 50¢ PER BOOK FOR POSTAGE AND 95¢ PER ORDER FOR REGISTRATION. SEND ORDERS WITH CHECK OR MONEY ORDER TO: THE NEW MCGRAW-HILL BOOKSTORE, 1221 AVENUE OF THE AMERICAS, NEW YORK, N.Y. 10020.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BUILDING STATES AND NATIONS. VOLUME I: MODELS AND DATA RESOURCES; VOLUME II: ANALYSES BY REGION. Edited by S. N. Eisenstadt and Stein Rokkan. Beverly Hills (Calif.): Sage Publications. V.I, 1973, 397 pp. $17.50; V.II, 1974, 506 pp. $20.00.

ETHNICITY AND NATION-BUILDING: COMPARATIVE, INTERNATIONAL, AND HISTORICAL PERSPECTIVES. Edited by Wendell Bell and Walter E. Freeman. Beverly Hills (Calif.): Sage Publications, 1974, 400 pp. $17.50.

These volumes, containing both theoretical essays and case studies, are useful aids to the understanding of nation-building, particularly in ethnically divided societies.

General: Military, Technological and Scientific

Andrew J. Pierre

NUCLEAR PROLIFERATION PROBLEMS. Cambridge: MIT Press (for the Stockholm International Peace Research Institute), 1974, 312 pp. $13.00.

A comprehensive, competent and timely study from SIPRI. The Indian nuclear explosion, the U.S. offer of nuclear technology to Egypt and Israel, and the long-term implications of the energy shortage are refocusing world attention on the danger of nuclear proliferation.

RETURN FROM THE NUCLEAR BRINK: NATIONAL INTEREST AND THE NUCLEAR NONPROLIFERATION TREATY. By Lloyd Jensen. Lexington (Mass.): Lexington Books, 1974, 150 pp. $12.50.

With the Nonproliferation Treaty due for review next year, this book provides an excellent introduction to all aspects of the treaty.

THE SUPERPOWERS IN A MULTINUCLEAR WORLD. Edited by Geoffrey Kemp, Robert L. Pfaltzgraff, Jr. and Uri Ra'anan. Lexington (Mass.): Lexington Books, 1974, 300 pp. $15.00.

A first-rate collection by knowledgeable authors which serves as a timely reminder that there are existing and potential nuclear powers other than the U.S. and the U.S.S.R. Two respected Indian specialists, Bhabani Sen Gupta and K. Subrahmanyam, discuss (in a 1973 context) how close India is to the bomb.

LE SECOND AGE NUCLÉAIRE. By Claude Delmas. Paris: Presses Universitaires de France, 1974, 126 pp. Fr. 5.

A brief, concise and generally accurate review of strategic arms-control efforts, in the widely read *"Que sais-je?"* series.

CRISIS IN EUROPEAN DEFENCE: THE NEXT TEN YEARS. By Geoffrey Lee Williams and Alan Lee Williams. London: Charles Knight, 1974, 334 pp. £5.50.

Twin brothers—one a former M.P. who was parliamentary private secretary to Denis Healey at the Ministry of Defence, the other an academic interested in defense questions—discuss a wide range of issues. The "crisis" is the possibility of U.S. withdrawal and the uncertainty as to what the European political-military response should be.

JUSTICE UNDER FIRE: A STUDY OF MILITARY LAW. By Joseph W. Bishop, Jr. New York: Charterhouse, 1974, 315 pp. $8.95.

Intended to be an antidote to polemical or critical appraisals of military justice

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(such as Robert Sherrill's *Military Justice Is to Justice as Military Music Is to Music*), this book provides a clear analysis of the court-martial system—plus some polemics of its own. An important work at a time when individual servicemen are more prone to challenge the regulations and decisions of the military system.

RACE TO PEARL HARBOR: THE FAILURE OF THE SECOND LONDON NAVAL CONFERENCE AND THE ONSET OF WORLD WAR II. By Stephen E. Pelz. Cambridge: Harvard University Press, 1974, 268 pp. $17.50.

This thoroughly documented study explains much of Pearl Harbor by examining the expansionist drive of Japan's admirals.

DYNAMICS OF THE VIETNAM WAR. By Jeffrey S. Milstein. Columbus: Ohio State University Press, 1974, 254 pp. $12.50.

An examination of patterns of military and political interaction during the Vietnam War through use of quantitative analysis and predictive computer simulation. Using "hawk and dove policy models," the author comes to the not surprising conclusion that the making of U.S. policy was "in part calculated and in part miscalculated."

EINSTEIN AND THE GENERATIONS OF SCIENCE. By Lewis S. Feuer. New York: Basic Books, 1974, 374 pp. $12.95.

This is a fascinating and intelligent account of Einstein within his milieu, which portrays the philosophical discussions and political debates among his colleagues.

SCIENCE AND POLICY: THE INTERNATIONAL STIMULUS. By Alexander King. New York: Oxford University Press, 1974, 113 pp. $7.25.

An excellent, compact yet wide-ranging discourse on the relationship of science to government in both its national and international dimensions.

U.S.-SOVIET COOPERATION IN SPACE. By Dodd L. Harvey and Linda C. Ciccoritti. Washington: Center for Advanced International Studies, University of Miami, 1974, 408 pp. $12.95 (Paper, $8.95).

Impressive and sober appraisal of the plusses and minuses of one aspect of détente. The authors believe that cooperative space enterprises will remain very limited over the indefinite future, but see some value in the present direct contacts now helping to open a closed society.

General: Economic and Social

William Diebold, Jr.

ENERGY: THE NEW ERA. By S. David Freeman. New York: Walker (for the Twentieth Century Fund), 1974, 386 pp. $14.50.

A good survey that emphasizes frugality and efficiency in use, more coherent governmental policies (and more intervention), higher costs (prices and taxes) and expanded production. Not the report of the Ford Foundation's Energy Policy Study which Mr. Freeman heads, but a reflection of his own studies and long governmental experience.

THE MATURING OF MULTINATIONAL ENTERPRISE: AMERICAN BUSINESS ABROAD FROM 1914 TO 1970. By Mira Wilkins. Cambridge: Harvard University Press, 1974, 590 pp. $22.00.

Exceptionally rich material on the foreign investment activities of major U.S. firms provides the basis for a history, model and the analysis of a number of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interesting problems. Miss Wilkins does not try to construct new statistical estimates but builds effectively on her earlier volume concerning the history of U.S. foreign investment before World War I (reviewed April 1971).

NEOCOLONIALISM: METHODS AND MANOEUVRES. By Vasily Vakhrushev. Moscow: Progress Publishers, 1973, 372 pp. (Chicago: Imported Publications, distributor, $3.50).

A detailed Soviet discussion of national and international aid programs, the World Bank, the International Monetary Fund, the Alliance for Progress and the "colonial policy of the EEC and OECD." The fact that all evidence leads to the same conclusion (giving and withholding aid are both neocolonialist, for example) engenders a certain monotony. But the book includes a rarity, a Soviet discussion of international monetary reform (which leans toward a restoration of gold).

FOREIGN TRADE UNDER CENTRAL PLANNING. By Franklyn D. Holzman. Cambridge: Harvard University Press, 1974, 436 pp. $17.00.

A comprehensive collection of well-focused papers by one of our most careful students of a difficult and increasingly important subject.

DIE "TECHNOLOGISCHE LÜCKE" ZWISCHEN DER BUNDESREPUBLIK DEUTSCHLAND UND DEN VEREINIGTEN STAATEN VON AMERIKA: EINE EMPIRISCHE ANALYSE. By Helge Majer. Tübingen: Mohr, 1973, 438 pp. DM. 62.

A large number of quantitative measures are examined to see if there is—or was—a technological gap, or innovation gap or management gap, between the United States and West Germany. No general gap appears but the effort is interesting in sharpening concepts, suggesting connections and emphasizing how hard it is to compare countries with different institutions and practices.

THE NEW ECONOMICS ONE DECADE OLDER. By James Tobin. Princeton: Princeton University Press, 1974, 105 pp. $6.50.

ECONOMIC GROWTH AND STABILITY: AN ANALYSIS OF ECONOMIC CHANGE AND POLICIES. By Gottfried Haberler. Los Angeles: Nash, 1974, 291 pp. $10.00.

Interesting books by professors who are not as far apart as many people will expect them to be. They both rebut the opponents of growth and reflect sensible, eclectic views of what governments can and cannot be expected to do. Haberler is strong and clear on the political and ethical values economics must serve, while Tobin's lectures are particularly interesting for their account of policy in the Kennedy and Johnson years.

POPULATION, CAPITAL, AND GROWTH: SELECTED ESSAYS. By Simon Kuznets. New York: Norton, 1973, 342 pp. $12.95.

Clear but never simple answers to basic questions. The Nobel Prize winner more often stresses the limits rather than the extent of our knowledge.

POPULATION POLICY IN DEVELOPED COUNTRIES. Edited by Bernard Berelson. New York: McGraw-Hill, 1974, 793 pp. $17.50.

Twenty-four studies of countries where "population is not an issue of really high priority," the desire for stability is widespread, and political aims sometimes lead to "pronatalist" policies.

INTERNATIONAL ENVIRONMENTAL LAW. Edited by Ludwik A.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TECLAFF AND ALBERT E. UTTON. New York: Praeger, 1974, 270 pp. $13.50.

Solid and not too technical, this reprint of a special issue of the *Natural Resources Journal* is a helpful review of policy choices and the roles of international organizations as well as of law in the narrower sense.

THE U.S. AND THE DEVELOPING WORLD: AGENDA FOR ACTION, 1974. BY JAMES W. HOWE AND OTHERS. New York: Praeger (for the Overseas Development Council), 1974, 208 pp. $3.95 (Paper).

THE WORLD BANK GROUP, MULTILATERAL AID, AND THE 1970s. EDITED BY JOHN P. LEWIS AND ISHAN KAPUR. Lexington (Mass.): Lexington Books, 1973, 168 pp. $13.00.

WHY IS THE THIRD WORLD POOR? BY PIERO GHEDDO. Maryknoll (N.Y.): Orbis Books, 1973, 143 pp. $3.95 (Paper).

The ODC's second annual agenda provides valuable figures and stresses food, energy and raw materials problems of the Third World and of the U.S. In the Lewis and Kapur volume, senior officials of the Bank's "family" expose problems and stand up to critics. Father Gheddo expounds a Christian view of development that says some interesting things about the spiritual and intellectual requirements for material progress.

AUSVERKAUF DER INTELLIGENZ AUS ENTWICKLUNGSLÄNDERN? EINE KRITISCHE UNTERSUCHUNG ZUM BRAIN DRAIN. BY HANS PETER SCHIPULLE. Munich: Weltforum Verlag, 1973, 403 pp. DM. 74.

A very valuable synthesis of the mass of studies on the brain drain, with lots of statistics.

The United States

Gaddis Smith

KISSINGER. BY MARVIN KALB AND BERNARD KALB. Boston: Little, Brown, 1974, 577 pp. $12.50.

The first full account of Kissinger's diplomacy, by two CBS correspondents who have interviewed tirelessly around the world. As always with contemporary history of sensitive affairs, many sources insisted on anonymity. Thus the reader cannot verify all the facts. Nevertheless, this is a readable and impressive effort filled with new information presented chronologically. Broad analysis is lacking, but that may require the perspective of distance. The subject's enormous talents and achievements are given full recognition, while the criticism of his elitism and quick adaptability to his former leader's prejudices is mild.

THE COLD WARRIORS: A POLICY-MAKING ELITE. BY JOHN C. DONOVAN. Lexington (Mass.): Heath, 1974, 293 pp. $3.95 (Paper).

The author analyzes the similar backgrounds and intellectual assumptions of the high-level civilian leaders who shaped national security policy from 1945 to the present. His thesis, inspired in part by C. Wright Mills, resembles that of David Halberstam's *The Best and the Brightest.*

MAKERS OF AMERICAN DIPLOMACY: FROM BENJAMIN FRANKLIN TO HENRY KISSINGER. EDITED BY FRANK J. MERLI AND THEODORE A. WILSON. New York: Scribners, 1974, 728 pp. $17.50.

Twenty-five original, high-quality essays. The majority of subjects are Presidents or Secretaries of State (e.g. Jefferson, Wilson, the Roosevelts, Acheson, Dulles); some are thinkers or representative second-level policymakers (Straight, Shotwell, Hornbeck, Kennan). Only one—Fulbright—is a legislator.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ELITES IN THE POLICY PROCESS. By Robert Presthus. New York: Cambridge University Press, 1974, 525 pp. $19.50.

A weighty theoretical and empirical comparison of the role of interest groups in the United States and Canada in the formation of national policy. Based on 2,400 interviews with higher civil servants, legislators, and interest-group executives.

REFLECTIONS ON THE COLD WAR: A QUARTER CENTURY OF AMERICAN FOREIGN POLICY. Edited by Lynn H. Miller and Ronald W. Pruessen. Philadelphia: Temple University Press, 1974, 207 pp. $10.00.

Nine essays, originally lectures at Temple University in 1970–71, predominantly but not exclusively "revisionist." Stanley Hoffmann, Harrison Salisbury, Walter LaFeber, Richard Barnet, and Richard Falk are among the authors.

THE WOUND WITHIN: AMERICA IN THE VIETNAM YEARS, 1945–1974. By Alexander Kendrick. Boston: Little, Brown, 1974, 432 pp. $12.95.

A veteran broadcast journalist's impassioned and well-researched history of the interaction of the Vietnam War and currents undermining American democracy.

ALL THE PRESIDENT'S MEN. By Carl Bernstein and Bob Woodward. New York: Simon & Schuster, 1974, 349 pp. $8.95.

A detailed, exciting account by the two now-famous *Washington Post* investigative reporters on how they uncovered much of the Watergate story. The Watergate library is growing rapidly. This book should be on any list, no matter how short.

EXECUTIVE PRIVILEGE: A CONSTITUTIONAL MYTH. By Raoul Berger. Cambridge: Harvard University Press, 1974, 430 pp. $14.95.

Years of mature and arduous scholarship have borne fruit in the author's *Impeachment* (1973) and in the present study. Berger loves a fight and his foes —those who perpetuate the "myth" of executive privilege—are left in tatters.

THE EMERGING CONSTITUTION. By Rexford G. Tugwell. New York: Harper's Magazine Press, 1974, 642 pp. $20.00.

The failures symbolized by Vietnam and Watergate have raised the insistent question of whether the United States requires a new Constitution. The answer in this monumental study is a powerful "yes." Tugwell proposes an appointive Senate on life tenure, a House partially elected at large, consolidated "new-states," the executive branch bifurcated by function, and an emphasis on individual responsibilities as well as rights.

PRESIDENTIAL POWER AND ACCOUNTABILITY: TOWARD A NEW CONSTITUTION. By. Charles M. Hardin. Chicago: University of Chicago Press, 1974, 257 pp. $7.95.

A popularly written proposal to reform the Constitution in the direction of party government with an official opposition and some legislators elected at large.

LA PRÉSIDENCE MODERNE AUX ÉTATS-UNIS. By Edmond Orban. Montreal: Les Presses de l'Université du Québec, 1974, 228 pp. $5.75 (Paper).

A lucid analysis by a French Canadian scholar for a Canadian audience. Orban dissects the personalities of the Presidents since FDR and criticizes the American tendency to endow the Presidency with quasi-sacred qualities by which the public welfare and the personal interest of the incumbent become confused.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE CIA AND THE CULT OF INTELLIGENCE. By Victor Marchetti and John D. Marks. New York: Knopf, 1974, 398 pp. $8.95.

Marchetti, the principal author, worked for the CIA for 14 years. The CIA went to court to prevent portions of the manuscript from being published. Some of the requested deletions were sustained (represented by blanks in the book) and most disallowed (printed in bold face). The book thus is more interesting as an indication of what the Agency wishes to hide than for what it reveals.

EISENHOWER: PORTRAIT OF THE HERO. By Peter Lyon. Boston: Little, Brown, 1974, 937 pp. $15.00.

A detailed, judiciously critical biography. The research is as thorough as Parmet's *Eisenhower and the American Crusades* (1972); the writing is far superior.

THE PAPERS OF ADLAI E. STEVENSON, VOLUME IV: "LET'S TALK SENSE TO THE AMERICAN PEOPLE," 1952–1955. Edited by Walter Johnson and Carol Evans. Boston: Little, Brown, 1974, 628 pp. $17.50.

This volume deals mainly with Stevenson's nomination, campaign and defeat in 1952. His wit, integrity and decency look even finer today.

LESSONS FROM AMERICA: AN EXPLORATION. Edited by Richard Rose. New York: Halsted Press, 1974, 308 pp. $14.95.

Vigorous essays by British students of the United States on how and why American practices in culture and economics are and are not transferable to Europe in general and Britain in particular.

CONFIDENTIAL DISPATCHES: ANALYSES OF AMERICA BY THE BRITISH AMBASSADOR, 1939–1945. Edited by Thomas E. Hachey. Evanston (Ill.): New University Press, 1974, 335 pp. $12.95.

Yearly and quarterly reports on the United States by Ambassadors Lothian (1939–40) and Halifax (1941–45). A reminder that British diplomats, in general, write better than Americans.

IDEOLOGY AND ECONOMICS: U.S. RELATIONS WITH THE SOVIET UNION, 1918–1933. By Joan Hoff Wilson. Columbia: University of Missouri Press, 1974, 192 pp. $10.00.

A heavily footnoted critique of the simplistic notion that the American business community opposed and then was responsible for American recognition of the Soviet Union. The author stresses ideological rigidities and bureaucratic inertia as important elements in American policy.

THE UNITED STATES AND WESTERN EUROPE: POLITICAL, ECONOMIC AND STRATEGIC PERSPECTIVES. Edited by Wolfram F. Hanrieder. Cambridge: Winthrop, 1974, 311 pp. $8.95 (Paper, $5.95).

Thirteen solid essays, most by American political scientists, on current problems. The predominant theme is economic.

The Western Hemisphere

Robert D. Crassweller

CANADIAN PERSPECTIVES ON INTERNATIONAL LAW AND ORGANIZATION. Edited by R. St J. Macdonald and others. Toronto: University of Toronto Press, 1974, 972 pp. $35.00.

Thirty-eight essays by Canadian academic scholars and government officials

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

comprise this impressive, pioneering compendium. The topics cover traditional diplomatic issues such as recognition and treaty-making; problems of air, communications, and weather law; territorial considerations; and Canada's participation in international organizations.

POLITICAL DEVELOPMENT: A GENERAL THEORY AND A LATIN AMERICAN CASE STUDY. By Helio Jaguaribe. New York: Harper and Row, 1973, 603 pp. $11.95.

A brilliant Brazilian political scientist presents "a general study of the political and the overall development of societies, particularly those of the Latin American countries . . . from a broad political, anthropological, economic, and historico-sociological perspective, with an emphasis on a global and systemic approach." The work concludes with analysis of the basic Latin American future alternatives of dependency or autonomy vis-à-vis the U.S. Vast in scale, yet intricate as a fine tapestry, this remarkable volume deserves wide recognition.

THE NEW CORPORATISM: SOCIAL-POLITICAL STRUCTURES IN THE IBERIAN WORLD. Edited by Fredrick B. Pike and Thomas Stritch. Notre Dame: University of Notre Dame Press, 1974, 218 pp. $8.95 (Paper, $2.95).

Six wide-ranging essays by noted scholars probe the historical and European antecedents of Latin American corporatism, its flexibility in concept and practice, and its congeniality to the Iberian character.

BEYOND CUBA: LATIN AMERICA TAKES CHARGE OF ITS FUTURE. Edited by Luigi R. Einaudi. New York: Crane, Russak, 1974, 250 pp. $11.50.

Latin American prospects in this decade are explored in 15 essays devoted to broad trends in politics, economics, institutions, and international relations. The unifying theme that emerges, a tendency toward "increasingly stable and sophisticated institutions . . . often providing determined leadership for reform," may be seen as an attempt to combine the revolutionary and the conservative images of development.

BLACK INTO WHITE: RACE AND NATIONALITY IN BRAZILIAN THOUGHT. By Thomas E. Skidmore. New York: Oxford University Press, 1974, 299 pp. $10.00.

This excellent and thorough volume traces the pre-1930 era of scientific racism, the phase of moral superiority from 1930 to 1950, the cult of "whitening" as an unadmitted reality, and the effect of world movements on Brazilian thought. A good antidote to various simplistic assumptions that are often encountered.

THE ECONOMIC DEVELOPMENT OF REVOLUTIONARY CUBA: STRATEGY AND PERFORMANCE. By Archibald R.M. Ritter. New York: Praeger, 1974, 372 pp. $21.50.

Detailed analysis, carried through 1972, of economic progress as affected by social and political objectives. The references to decreases in overt employment and increases in covert or low-productivity employment are worthy of note.

NO PEACEFUL WAY: CHILE'S STRUGGLE FOR DIGNITY. By Gary MacEoin. New York: Sheed and Ward, 1974, 230 pp. $6.95.

A passionate analysis of the Allende drama from a radical and worshipful perspective. Rarely has black been so black, and white so white, as in this Manichean vision.

THE COMINTERN IN MEXICO. By Donald L. Herman. Washington: Public Affairs Press, 1974, 187 pp. $7.00.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A competent analysis of the Communist movement in Mexico, and the issues it raised, from the founding of the Communist International in 1919 to the end of World War II. Communism's relative lack of success, then and thereafter, is contrasted with the natural advantages it has seemed to possess.

THE POPULATION OF LATIN AMERICA: A HISTORY. By Nicolás Sánchez-Albornoz. Berkeley: University of California Press, 1974, 299 pp. $17.50.

This volume is useful and welcome: a complete demographic history, including migration, race mixtures, immigration and urbanization, from pre-Columbian times to the present, with a forward projection to the year 2000. The treatment achieves an unusual combination of scholarship, readability, and wide historical and human awareness.

POPULISM AND POLITICAL DEVELOPMENT IN LATIN AMERICA. By A.E. van Niekerk. Rotterdam: Rotterdam University Press, 1974, 230 pp. (Portland, Ore.: International Scholarly Book Services, distributor, $20.00).

Latin American populism—its specific functions and aims—is analyzed against the background of the populist phase in the historical development of the advanced countries and the populist variations, called "mobilization systems," now current in Afro-Asian countries.

Western Europe

Fritz Stern

MORNING WITHOUT NOON: MEMOIRS. By Salvador de Madariaga. Westmead, Farnborough, Hants.: Saxon House, 1974, 441 pp. (New York: Atheneum, distributor, $14.95).

The elegantly melancholy memoirs of a Spanish liberal, covering the years 1921–1936. In his writings and his political career as a world civil servant, he epitomized the good European—and lived in the shadow of the new scourge. Charming, whimsical, and evocative of the interwar years, especially as observed in Geneva and Oxford.

A L'OMBRE DES DEUX T: 40 ANS AVEC MAURICE THOREZ ET PALMIRO TOGLIATTI. By Giulio Ceretti. Paris: Julliard, 1973, 407 pp. Fr. 42.80.

Recollections of an Italian Communist who was a friend of the two major figures in postwar European communism. Anecdotal and absorbing, the book is an unpretentious contribution to understanding the political world of the European Left during the last 40 years.

CONTAGIOUS CONFLICT: THE IMPACT OF AMERICAN DISSENT ON EUROPEAN LIFE. Edited by A.N.J. den Hollander. Leiden: Brill (for the European Association for American Studies), 1973, 263 pp. Gldrs. 64.

An unusually good symposium, including several essays on the impact of America's New Left and American violence on European countries. Also an excellent essay on American anti-colonialism and its influence on European policies.

EUROPE: JOURNEY TO AN UNKNOWN DESTINATION. By Andrew Shonfield. White Plains (N.Y.): International Arts and Sciences Press, 1974, 98 pp. $6.00.

The Reith Lectures for 1972, by a distinguished British writer. His views on the future of the enlarged European Community, seen as a response to changed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic realities, still deserve careful attention, but the mood of reasoned optimism makes one a bit nostalgic.

POLITICS, POWER, AND BUREAUCRACY IN FRANCE: THE ADMINISTRATIVE ELITE. By Ezra N. Suleiman. Princeton: Princeton University Press, 1974, 440 pp. $20.00 (Paper, $9.75).

A study of France's political elite, the top civil servants: their origins, their training, their place in the state, in politics and society. By its breadth, lucidity, and unassuming originality, the book matches the magnitude of the topic. A major achievement, by a young American political scientist.

HOMMES LIBRES. . . . By Arthur Conte. Paris: Plon, 1973, 326 pp. Fr. 28.

For 16 months in 1972–73, Conte, as head of the French radio and television, saw French politics and political life from an unusual vantage point. These are his scathing recollections, his angry exasperation with the indecisions of Pompidou's regime.

ARISTIDE BRIAND, 1862–1932: EIN STAATSMANN ZWISCHEN FRANKREICH UND EUROPA. By Ferdinand Siebert. Erlenbach-Zurich: Rentsch, 1973, 704 pp. Swiss Fr. 49.

A major biography of the French statesman whose vision of a European reconciliation proved unrealizable, at least in his lifetime.

PROTEST IN PARIS: ANATOMY OF A REVOLT. By Bernard E. Brown. Morristown (N.J.): General Learning Press, 1974, 240 pp. $7.60 (Paper, $5.65).

A lively summary of the May 1968 student revolt, followed by a lucid and undogmatic analysis of its causes and a critique of other interpretations. A valuable work.

THE ONE AND INDIVISIBLE FRENCH REPUBLIC. By Jack Hayward. New York: Norton, 1973, 306 pp. $10.95 (Paper, $3.95).

A useful introduction to the structure and spirit of French government today.

SUEZ: SPLITTING OF A NATION. By Russell Braddon. London: Collins, 1973, 253 pp. £3.00.

By combining published material with interviews, the author presents a dramatic, if uncomplicated, picture of the impact of the Suez crisis on British sentiment and politics.

BRITISH NATIONALISATION: 1945–1973. By R. Kelf-Cohen. New York: St. Martin's Press, 1973, 288 pp. $14.95.

The history and somber prospects of Britain's nationalized industries, by a former minister who had considerable experience with nationalization and who has written authoritative studies on the subject before. An important work that analyzes some of the broadest economic and political aspects.

SURVEY OF COMMONWEALTH AFFAIRS: PROBLEMS OF EXPANSION AND ATTRITION, 1953–1969. By J. D. B. Miller. New York: Oxford University Press (for the Royal Institute of International Affairs), 1974, 550 pp. $35.25.

A distinguished example of contemporary history: the development of the Commonwealth—which the author earlier called a "concert of convenience"—at a time of great upheaval in Africa and Asia and of major changes in Europe. A valuable compendium.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BITTER HARVEST: CHURCH AND STATE IN NORTHERN IRELAND. By Albert J. Menendez. New York: Robert B. Luce, 1974, 228 pp. $7.50.

A detailed description of bigotry on both sides. The author, an American with a fervent belief in the separation of Church and State, advocates educational integration in Ulster as an antidote to the present struggle, fed by segregated schools.

INISHKILLANE: CHANGE AND DECLINE IN THE WEST OF IRELAND. By Hugh Brody. New York: Schocken, 1974, 226 pp. $8.95.

Village life in "demoralized rural Ireland," sympathetically observed and cleverly interpreted by a young don.

HITLER AND HIS GENERALS: THE HIDDEN CRISIS, JANUARY–JUNE 1938. By Harold C. Deutsch. Minneapolis: University of Minnesota Press, 1974, 452 pp. $15.00.

An historian's fascinating reconstruction of Hitler's capture of unchallenged power over the Army by virtue of his purge of two powerful potential opponents. The full sordidness of Nazi politics emerges, as it did to contemporaries who later rallied to the Army's resistance. Based on new evidence.

UPHEAVAL AND CONTINUITY: A CENTURY OF GERMAN HISTORY. Edited by E. J. Feuchtwanger. Pittsburgh: University of Pittsburgh Press, 1974, 191 pp. $5.95 (Paper, $3.50).

A collection of essays on German history from Bismarck to Brandt, by English and German historians.

ITALY—REPUBLIC WITHOUT GOVERNMENT? By P. A. Allum. New York: Norton, 1974, 267 pp. $10.00.

An unusually successful introduction to the institutions of contemporary Italy and to the "iconography" of the political situation which alone makes these institutions comprehensible. By a British political scientist.

THE ABYSSINIAN CRISIS. By Frank Hardie. Hamden (Conn.): Archon Books, 1974, 294 pp. $15.00.

Europe's ineffectuality in dealing with Italian aggression marked the turning point at which the road to war narrowed and became nearly inescapable. A sound reconstruction of the story, based principally on new British sources, by a British historian.

The Soviet Union and Eastern Europe

John C. Campbell

THE GULAG ARCHIPELAGO 1918–1956: AN EXPERIMENT IN LITERARY INVESTIGATION. By Aleksandr I. Solzhenitsyn. New York: Harper and Row, 1974, 660 pp. $12.50 (Paper, $1.95).

The terrifying record of one part of the Soviet historical experience, itself now making its own and its author's place in Soviet—or, as he might prefer, Russian—history. Whether read as history or literature, personal testimony, indictment, or declaration of faith, it must be read as one of the great works of our time.

KHRUSHCHEV REMEMBERS: THE LAST TESTAMENT. Translated and edited by Strobe Talbott. Boston: Little, Brown, 1974, 602 pp. $12.95.

This second volume is another treasure trove of fact and revelation of motive and attitude: on Mao and China, the U-2 affair, Kennedy and Cuba, relations with Eastern Europe, and many other points of interest. The recollections ring true, as if to resolve any doubt of their authenticity.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

JOSEPH STALIN: MAN AND LEGEND. By Ronald Hingley. New York: McGraw-Hill, 1974, 482 pp. $15.00.

This third major biography of Stalin to appear in recent months is somewhat overshadowed by those of Tucker and Ulam but has its own merits, including good writing and good judgment. Hingley gives the devil his due, as the man who made Leninism work, the creator—for good or ill—of what the Soviet Union is today.

BREZHNEV: THE MASKS OF POWER. By John Dornberg. New York: Basic Books, 1974, 317 pp. $10.00.

A shrewd journalist's popular biography, with a heavy dosage of well-tempered Kremlinology.

SAKHAROV SPEAKS. By Andrei D. Sakharov. Edited by Harrison E. Salisbury. New York: Knopf, 1974, 245 pp. $6.95 (Paper, $1.65).

The texts of the noted physicist's "manifestoes" from 1968 through 1973. Harrison Salisbury's sympathetic foreword gives a bare minimum of biographical background.

SOVIET POLITICS AND SOCIETY IN THE 1970's. Edited by Henry W. Morton and Rudolf L. Tökés. New York: Free Press, 1974, 401 pp. $12.95.

Of ten timely essays, three have particular interest for students of international affairs: on the Soviet model as a development alternative for the Third World, on Soviet-East European relations, and on change in Communist systems.

THE RUSSIAN DILEMMA: A POLITICAL AND GEOPOLITICAL VIEW. By Robert G. Wesson. New Brunswick: Rutgers University Press, 1974, 228 pp. $12.50.

Selective, and familiar, history, pointing up the contradictions and tensions which are the Russian and Soviet heritage. The inapplicability of Leninist answers to contemporary problems constitutes the dilemma in its most recent form.

THE DAMNED INHERITANCE: THE SOVIET UNION AND THE MANCHURIAN CRISES, 1924–1935. By George Alexander Lensen. Tallahassee (Fla.): Diplomatic Press, 1974, 533 pp. $19.80.

First-class diplomatic history by a leading authority on Russo-Japanese relations. The main theme is the struggle over the Chinese Eastern Railway.

THE SOVIET UNION AND THE MIDDLE EAST: THE POST-WORLD WAR II ERA. Edited by Ivo J. Lederer and Wayne S. Vucinich. Stanford: Hoover Institution Press, 1974, 302 pp. $9.95.

Individual scholars take up separately Soviet relations with Turkey, Iran, Israel and the Arab states. One of the editors, Vucinich, adds a comprehensive survey of Soviet writing on the Middle East.

THE SOVIET UNION AND THE OCTOBER 1973 MIDDLE EAST WAR: THE IMPLICATIONS FOR DETENTE. By Foy D. Kohler, Leon Gouré and Mose L. Harvey. Washington: Center for Advanced International Studies, University of Miami, 1974, 131 pp. $8.95 (Paper, $4.95).

The tough policy pursued by the Soviets in the Middle East crisis revealed how they see the meaning of détente.

THE SOVIET UNION AND EUROPEAN SECURITY. By Y. Nalin and A. Nikolayev. Moscow: Progress Publishers, 1973, 141 pp. (Chicago: Imported Publications, distributor, $2.00).

The Soviet diplomatic efforts for a European security conference, largely since

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the mid-1960s. The authors are clear on who is for peace in Europe and who is against it.

THE ROLE OF NUCLEAR FORCES IN CURRENT SOVIET STRATEGY. By Leon Gouré, Foy D. Kohler and Mose L. Harvey. Washington: Center for Advanced International Studies, University of Miami, 1974, 148 pp. $8.95 (Paper, $4.95).

A review of Soviet writings and pronouncements to illustrate the development of Soviet nuclear power in the context of a dynamic competition with the West for predominance. The authors warn against soft-headed U.S. thinking on détente.

THE SOVIET FOREIGN TRADE MONOPOLY: INSTITUTIONS AND LAWS. By John Quigley. Columbus: Ohio State University Press, 1974, 256 pp. $15.00.

Brief and straightforward history and description of how the system works, by an American legal scholar using extensive Soviet sources.

CRISIS IN SOCIALIST PLANNING: EASTERN EUROPE AND THE USSR. By Jan Marczewski. New York: Praeger, 1974, 245 pp. $18.50.

A competent overall survey, by a professor at the Sorbonne, of planning and reforms in individual countries (including Yugoslavia), plus a consideration of foreign trade and financial flows within the bloc.

ESSAYS ON PLANNING, TRADE AND INTEGRATION IN EASTERN EUROPE. By Jozef M. P. van Brabant. Rotterdam: Rotterdam University Press, 1974, 310 pp. (Portland, Ore.: International Scholarly Book Services, distributor, $24.00).

A series of sober studies on Comecon and the myths and realities of socialist integration. The author points rightly to the crucial unsolved questions of pricing and of national versus central planning.

SERBIA, NIKOLA PAŠIĆ, AND YUGOSLAVIA. By Alex N. Dragnich. New Brunswick: Rutgers University Press, 1974, 266 pp. $15.00.

A solid political biography of the Serbian statesman, including new data, with high praise for his part in establishing parliamentary democracy in Serbia and a stout defense against critics of his role in the new Yugoslav state.

The Middle East and North Africa

John C. Campbell

CYPRUS: RELUCTANT REPUBLIC. By Stephen G. Xydis. The Hague: Mouton, 1973, 553 pp. Gldrs. 86.

In a continuation of his previous book, *Cyprus: Conflict and Conciliation* (1967), Xydis tells in painstaking and sometimes wearying detail the story of the diplomacy of 1958–1960 which brought the island to the status of precarious independence. Based on both published and unpublished sources.

LE CONFLIT DE CHYPRE: 1946–1959. By François Crouzet. Brussels: Bruylant (for the European Center of the Carnegie Endowment for International Peace), 1973, 2 v. Belgian Fr. 3.040.

Another monumental work which describes and analyzes the Cyprus question as a British-Greek-Turkish-Cypriote problem through the conclusion of the Zurich and London agreements. A volume in the Carnegie Endowment series on international conflicts which meets the high standards set by its predecessors.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ORIENT-ARABE ET NON-ENGAGEMENT. By Marcel Colombe. Paris: Publications Orientalistes de France (for l'Institut National des Langues et Civilisations Orientales), 1973, 2 v.

Using many little-known sources, a distinguished Arabist writes the history of the Arab East in international politics over the years 1945–1961.

LA POLITIQUE ARABE DE LA FRANCE: DE DE GAULLE À POMPIDOU. By Paul Balta and Claudine Rulleau. Paris: Sindbad, 1973, 279 pp. Fr. 32.90.

The special relationship cultivated by Paris since 1958, seen as rooted in history and geography and serving well the interests of France, Europe, and the Arab world. Balta, an excellent journalist and specialist in Mediterranean affairs, now writes for *Le Monde*.

THE MIDDLE EAST IN WORLD POLITICS: A STUDY IN CONTEMPORARY INTERNATIONAL RELATIONS. By Tareq Y. Ismael and others. Syracuse: Syracuse University Press, 1974, 297 pp. $12.00 (Paper, $5.00).

A somewhat disjointed work, but useful as an up-to-date survey of the interests and policies of the various outside powers.

OIL, POWER AND POLITICS: CONFLICT IN ARABIA, THE RED SEA AND THE GULF. By Mordechai Abir. London: Frank Cass, 1974, 209 pp. (Portland, Ore.: International Scholarly Book Services, distributor, $12.50).

Essays by an Israeli scholar which provide background to several of the Middle East's most sensitive problems. The chapter on "Red Sea Politics" is especially good.

REVOLUTIONARY WARFARE IN THE MIDDLE EAST: THE ISRAELIS VS. THE FADAYEEN. By Bard O'Neill. Boulder (Colo.): Paladin Press, 1974, 140 pp. $5.95.

The theme of this book, with its incident-by-incident account from 1967 through 1971, is the success of Israel's counterinsurgency measures which doomed the fedayeen enterprise "almost from the start."

FEDAYIN—GUERILLA OHNE GRENZEN. By Rolf Tophoven. Frankfurt/Main: Bernard & Graefe, 1974, 158 pp. DM. 18.

Covers some of the same ground as O'Neill's book but shows how, despite failure on the ground, the fedayeen have pushed their cause by developing new forms of warfare.

WHOSE JERUSALEM? THE CONFLICTS OF ISRAEL. By Ronald Segal. New York: Bantam Books, 1974, 305 pp. $1.95 (Paper).

A hard, though not hopeless, look at Israeli society and leadership in the dual context of Israeli values and the struggle with the Arabs.

BEN GURION, STATE-BUILDER: PRINCIPLES AND PRAGMATISM, 1948–1963. By Avraham Avi-hai. New York: Halsted Press/Jerusalem: Israel Universities Press, 1974, 354 pp. $12.50.

An impressive biographical study, mainly on the period since 1948, by a scholar and former official in the Prime Minister's office. Sympathetic but objective, he deals candidly with Ben Gurion's disenchantment with organized Zionism and with the decline of his influence after the Lavon affair.

BETWEEN ISRAEL AND DEATH. By Edward Bernard Glick. Harrisburg (Pa.): Stackpole Books, 1974, 182 pp. $7.95.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Broad-brush treatment of the Israel Defense Forces, in which the author puts his emphasis on the IDF's pervasive impact on Israeli society.

AFGHANISTAN'S FOREIGN AFFAIRS TO THE MID-TWENTIETH CENTURY: RELATIONS WITH THE USSR, GERMANY, AND BRITAIN. By Ludwig W. Adamec. Tucson: University of Arizona Press, 1974, 324 pp. $13.00 (Paper, $7.95).

Based on extensive research, including newly available archival sources, this is a detailed account of Afghanistan's traditional balancing act among the great powers from the eve of World War I to the end of World War II.

South and Southeast Asia

Lewis C. Austin

INDIRA: A BIOGRAPHY OF PRIME MINISTER GANDHI. By Krishan Bhatia. New York: Praeger, 1974, 290 pp. $10.00.

An only child, daughter of a princely family that had amassed great wealth serving the Moghuls as bureaucrats and the British as lawyers, her early games included playing soldier, politician and Joan of Arc. Rising to the top through appointment and back-room horse-trading rather than the electoral route, she has generally shown her sensitivity for power and her tough-mindedness about its use. A striking portrait of a fascinating woman, by the former editor of the *Hindustan Times*.

INDUSTRIAL CONCENTRATION AND ECONOMIC POWER IN PAKISTAN. By Lawrence J. White. Princeton: Princeton University Press, 1974, 212 pp. $11.00.

The author suggests that the pattern of economic domination by a small number of family groups in Pakistan, a pattern common to many developing nations, is not only politically corrupting but economically inefficient. Realistic remedies, he argues, are few; but an open international trade sector and progressive taxation are tentatively offered.

INDONESIAN COMMUNISM UNDER SUKARNO: IDEOLOGY AND POLITICS, 1959–1965. By Rex Mortimer. Ithaca: Cornell University Press, 1974, 464 pp. $15.00.

This detailed history of the policies of the PKI to its demise after the 1965 coup sees the party's basic weakness to have been its unsuccessful gamble that Sukarno would continue to hold the ring for peaceful political competition. In spite of its virtual destruction, Mortimer credits the party with the lasting bequest to Indonesia of two of the most important prerequisites for political modernization: ideology and organization.

TWENTY YEARS: INDONESIAN FOREIGN POLICY, 1945–1965. By Ide Anak Agung Gde Agung. The Hague: Mouton, 1973, 640 pp. Gldrs. 69.

A diplomat, whose distinguished career extends from 1945 to the present (save for the years 1962–66, which he spent in detention), presents a knowledgeable history of his country's stormy foreign relations from a conservative viewpoint.

AMERICAN ECONOMIC AID TO THAILAND. By J. Alexander Caldwell. Lexington (Mass.): Lexington Books, 1974, 248 pp. $16.00.

The author, with AID in Thailand from 1967–1969 and now with Morgan Guaranty Trust, argues that Thai society is stable and resilient and can absorb increased amounts of U.S. assistance. He suggests that aid should foster political

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

development and "create coherent political forces," but that it should not be used to fight communism; that development can result in village discontent, but need not lead to lessened loyalty.

MALAYSIA—NEW STATES IN A NEW NATION: POLITICAL DEVELOPMENT OF SARAWAK AND SABAH IN MALAYSIA. By R. S. Milne and K. J. Ratnam. London: Frank Cass, 1974, 501 pp. (Portland, Ore.: International Scholarly Book Services, distributor, $27.50).

Malaysia came into being in 1963, a nation created by fiat out of a heterogeneous set of components. With the switch from colonial to national status for Sarawak and Sabah came the substitution of politics for administration. This workmanlike study compares the politics of the new nation to the models proposed by academic students of "nation-building" and modernization.

WAR AND POLITICS IN CAMBODIA: A COMMUNICATIONS ANALYSIS. By Sheldon W. Simon. Durham (N.C.): Duke University Press, 1974, 178 pp. $7.50.

This "communications analysis" proceeds by counting the themes of official broadcast and press propaganda and rank-ordering them by frequency. However, the author's occasionally subtle elucidation of the Cambodian struggle rests on solider evidence than that provided by his crypto-scientific methodology.

East Asia and the Pacific

Lewis C. Austin

LA DEUXIÈME RÉVOLUTION CHINOISE. By K. S. Karol. Paris: Laffont, 1973, 563 pp. Fr. 38.

One of the most astute interpreters of the Communist world offers here an analysis of the Chinese Cultural Revolution that easily stands in the first rank of political journalism. Acute, concerned, and humane, this is a book not to miss.

CULTURAL REVOLUTION AND INDUSTRIAL ORGANIZATION IN CHINA: CHANGES IN MANAGEMENT AND THE DIVISION OF LABOR. By Charles Bettelheim. New York: Monthly Review Press, 1974, 128 pp. $6.95.

The author has let his enthusiasm for the Chinese experiment override his passion for fact and documentation. Consequently, the title's promise is somewhat misleading. There is little here about industrial organization, management, and the division of labor, but much about decentralization, small-medium enterprise, and the elimination of the town-country dichotomy. The purely theoretical and speculative considerations about the future of organization in a post-capitalist society are interesting, however, and there is a good analysis in the postscript of the difference between "ultra-leftism" and Maoist orthodoxy.

SINO-AMERICAN DÉTENTE AND ITS POLICY IMPLICATIONS. Edited by Gene T. Hsiao. New York: Praeger, 1974, 319 pp. $17.50.

Some interesting insights on the prospects opened up by the tentative Chinese-American rapprochement emerge from this 1973 collection of seminar papers.

CHINA'S POLICY IN AFRICA, 1958–71. By Alaba Ogunsanwo. New York: Cambridge University Press, 1974, 310 pp. $19.50.

This careful study traces the evolution of Chinese policy in Africa from the halcyon period, when revolutionary ideology coincided with national interest in seeing the overthrow of existing governments as the first priority, to the more

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

complicated present, when zeal preaches revolution but big-power state interest dictates cautious pragmatism and compromise.

JAPAN: EIN DEUTSCHER JAPANER ÜBER DIE JAPANER. By Helmut Erlinghagen. Stuttgart: Deutsche Verlags-Anstalt, 1974, 437 pp. DM. 35.

A resident of Japan from 1937 to 1957, the author, erstwhile Dean of Tokyo's Sophia University, has distilled much experience into a graceful and subtle discourse on Japanese thought and society.

PROLOGUE TO THE FUTURE: THE UNITED STATES AND JAPAN IN THE POSTINDUSTRIAL AGE. Edited by James William Morley. Lexington (Mass.): Lexington Books (for the Japan Society), 1974, 232 pp. $15.00.

The fruit of a 1972 symposium, this glimpse of the future is plausible but not necessarily appetizing. For both countries the predictions include organizational concentration, intensified planning, more mechanization, a simultaneous increase in the demand for job security and decrease in the amount of available work, inflation, political immobilism, and more authoritarian government, with the principal power struggle taking place between bureaucracy and the mass media.

A JAPANESE VIEW OF DETENTE. By Hisahiko Okazaki. Lexington (Mass.): Lexington Books (for the Atlantic Council of the U.S.), 1974, 117 pp. $12.00.

The author was head of the Analysis Division of the Japanese Ministry of Foreign Affairs from 1966 to 1970. His book (published in Japan in 1971) has been revised to take account of the U.S.-China détente. Its burden is unsurprising: détente is fine but one must be careful; for Japan "peaceful coexistence is no more than another aspect of nuclear deterrence," and "deterrent capability . . . is to be found in . . . limited armed strength and in cooperative relations with the United States."

JAPAN'S PARLIAMENT: AN INTRODUCTION. By Hans H. Baerwald. New York: Cambridge University Press, 1974, 155 pp. $7.95.

The author has a record of accuracy in his running commentary on Japanese politics. This concise but fact-filled handbook is the product of the same enviable familiarity with the Japanese polity. A praiseworthy terseness limits the book's conclusions to two: the Diet does not govern—but it has become the training school for the governors.

JAPAN: ECONOMIC AND SOCIAL STUDIES IN DEVELOPMENT. Edited by Heide and Udo Ernst Simonis. Wiesbaden: Harrassowitz (for the Institute of Asian Affairs, Hamburg), 1974, 339 pp.

Some extremely worthwhile papers on economic and social trends in Japan, and their consequences, are collected here. Bieda on planning and Maruo on welfare are quite outstanding.

THE NORTH KOREAN COMMUNIST LEADERSHIP, 1945–1965: A STUDY OF FACTIONALISM AND POLITICAL CONSOLIDATION. By Koon Woo Nam. University: University of Alabama Press, 1974, 214 pp. $7.50.

How does the politician get ahead in a world in which the standard parliamentary-democratic tools are irrelevant or unavailable? In the Communist-bureaucratic milieu, argues the author, the success of Kim Il-song has been exemplary. His Manchurian (Soviet) clique beat out the competing Yenan (Chinese) and native cliques using faction-building, purges, bribery, assassination, and the mil-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

itary, as well as some outside help. A good analysis of one of the patterns of nation-building.

THE CANBERRA MODEL: ESSAYS ON AUSTRALIAN GOVERNMENT. By David Butler. New York: St. Martin's Press, 1974, 146 pp. $15.95.

One of the deans of British political science takes a rather unbuttoned and non-rigorous look at "a classic example of both parliamentary and federal government." He finds a country naturally conservative and cautious, but one in which an increasingly youthful electorate makes it likely that Labor will benefit from that conservatism as much as the conservatives themselves.

ALTERNATIVE STRATEGIES FOR PAPUA NEW GUINEA. Edited by Anthony Clunies Ross and John Langmore. New York: Oxford University Press, 1974, 263 pp. $18.25.

Prime Minister Whitlam suggested full independence for this Australian territory in 1976, and the search for ways, means, and institutional forms continues unabated. This collection of essays, from academic specialists at Australian National University and the University of Papua New Guinea, neither seeks nor attains a coherent point of view, but a consensus emerges that Australian models are unlikely to work if adopted mechanically and unaltered.

Africa

Jennifer Seymour Whitaker

BLACK STAR: A VIEW OF THE LIFE AND TIMES OF KWAME NKRUMAH. By Basil Davidson. New York: Praeger, 1974, 225 pp. $7.95.

In this revisionist (or perhaps counter-revisionist) assessment of the controversial Ghanaian leader, his sympathetic biographer attempts to recreate the untarnished Nkrumah of the early independence era, emphasizing the vision and strength which earned him a place of undoubted prominence in African history. He also paints a painfully affecting picture of the labyrinthine tangle of Ghanaian politics by the time of Nkrumah's overthrow; his subject's shortcomings are given their due here, but he nonetheless comes to seem a rather passive victim of circumstances.

TRANSITION IN AFRICA: FROM DIRECT RULE TO INDEPENDENCE. A MEMOIR. By Sir James Robertson. New York: Barnes & Noble, 1974, 272 pp. $15.00.

Nigeria's last Governor General prior to independence, who for most of his career was a high colonial official in the Sudan, explains the rationale behind Britain's mode of administering the devolution of sovereignty in each of these colonies. Despite the fact that both nations erupted into bloody civil war a few years later, Sir James is a convincing—though dry—defender of the reasonableness of British policy and of her colonial administrators.

WAR AND PEACE IN THE SUDAN, 1955–1972. By Cecil Eprile. North Pomfret (Vt.): David & Charles, 1974, 192 pp. $15.00.

An unpretentious and objective account of the civil war between Sudan's Arab north and partly Christianized Black south, by a journalist who interviewed many of the principals on both sides.

INTRODUCTION TO AFRICAN POLITICS: A CONTINENTAL APPROACH. By Leslie Rubin and Brian Weinstein. New York: Praeger, 1974, 326 pp. $12.00 (Paper, $4.95).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AFRICA EMERGENT: AFRICA'S PROBLEMS SINCE INDEPENDENCE. By John Hatch. Chicago: Regnery, 1974, 233 pp. $10.00 (Paper, $3.95).

Both books may be regarded as introductory, reviewing a broad range of quite basic information and ideas, but with some success. Rubin and Weinstein's rather staccato survey, which extends from pre-colonial times to the present, is only vaguely unified by an attempt to show commonality in African political diversity. Hatch's work, on the other hand, is knit together by a central preoccupation with the need to bridge the gap between rural and urban, "traditional" and "modern," life in Africa.

NIGERIA: INTERNAL POLITICS AND FOREIGN POLICY 1960–1966. By Gordon J. Idang. Ibadan: Ibadan University Press, 1973, 171 pp. Nigerian Naira 2.00.

In counterpoint to his intelligent analysis of the conservative, pro-Western foreign policy of the pre-Civil War Nigerian regime, the author (a Nigerian political scientist) sets forth his own proposals for a policy which will more effectively foster national unity; he emphasizes pan-Africanism and authentic nonalignment.

COMMODITY EXPORTS AND AFRICAN ECONOMIC DEVELOPMENT. By Scott R. Pearson and John Cownie. Lexington (Mass.): Lexington Books, 1974, 285 pp. $17.50.

This rather technical study is more useful for the specific information it offers on eight African economies than for its highly qualified generalizations about such developmental desiderata as generation of employment, construction of infrastructure, diversification of exports.

GOVERNING AN AFRICAN CITY: A STUDY OF NAIROBI. By Herbert H. Werlin. New York: Africana Publishing Company, 1974, 308 pp. $22.50.

Nairobi serves as the focus here for a history of Kenya's transition to independence as well as an analysis of the city's basic administrative problems. Along the way the author elucidates his seemingly simple conclusion—that the effectiveness of a city's government depends on the overall political strengths and aptitudes of its nation.

CAN AFRICA SURVIVE? ARGUMENTS AGAINST GROWTH WITHOUT DEVELOPMENT. By Basil Davidson. Boston: Atlantic—Little, Brown, 1974, 207 pp. $6.95 (Paper, $3.45).

An argument, in the vein of René Dumont, for African self-sufficiency and growth to political maturity within governmental forms appropriate to the local context; Tanzanian socialism, once again, is the best example.

AFRICA AND INTERNATIONAL ORGANIZATION. Edited by Yassin El-Ayouty and Hugh C. Brooks. The Hague: Nijhoff, 1974, 250 pp. Gldrs. 45.

Variable in quality, this collection is distinguished by several analyses of African influence on the developing shape of the U.N. and of the forces which have dictated the form and function of the O.A.U.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SOURCE MATERIAL

By Donald Wasson

I. DOCUMENTS

Documents may be procured from the following: *United States:* Gov't. Printing Office, Superintendent of Documents, Washington, D.C. 20402. *United Nations, International Court of Justice:* United Nations, Sales Section, New York 10017. *United Nations Educational, Scientific and Cultural Org.* and *Food and Agric. Org.:* Unipub, Inc., P.O. Box 433, New York 10016. *Int. Labor Office:* 917 15th St., N.W., Washington, D.C. 20005. *European Communities:* 2100 M. St., N.W., Washington, D.C. 20037. *Organization for Economic Cooperation and Development:* 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006. Washington imprints are Government Printing Office, and Congressional documents, unless otherwise noted, are for the 93rd Congress, 2nd Session. New York imprints are United Nations, unless otherwise noted.

Asia and the Pacific Ocean

Miscellany of Mao Tse-tung thought (1949–1968). Arlington, Va., Joint Publications Research Service, 1974. 2 pts. (JPRS 61269.)

Proposed expansion of U.S. military facilities in the Indian Ocean. Hearings, Subcommittee on the Near East and South Asia, Committee on Foreign Affairs, House, Feb. 21–Mar. 20, 1974. Washington, 1974. 219 pp.

Japan reporting: Japan's economic cooperation. Tokyo, Ministry of International Trade and Industry, 1974. 37 pp.

Japan-United States Friendship Act. Hearings, Committee on Foreign Relations, Senate, on S.649, May 1–2, 1974. Washington, 1974. 115 pp.

——. Report, Je. 7, 1974. Washington, 1974, 4 pp. (S. Rept. 93–885.)

U.S. POW's and MIA's in Southeast Asia. Hearing, Committee on Foreign Relations, Senate, Jan. 28, 1974. Washington, 1974. 116 pp.

Commercial Policy and Trade

The Trade Reform Act of 1973. Hearings, Committee on Finance, Senate, on H.R. 10710, Mar. 4-Apr. 10, 1974. Washington, 1974. 373 pp.

Analysis of the Trade Agreements Program and the Trade Reform Act of 1973. Staff papers provided by the U.S. Tariff Commission for the Committee on Finance, Senate, Je. 1974. Washington, 1974. 15 pp. (Com. Print.)

Omnibus Export Expansion Act of 1974. Report, Committee on Foreign Relations, Senate, to accompany S.1486, May 20, 1974. Washington, 1974. 6 pp. (S. Rept. 93—860.)

U.S. actions needed to cope with commodity shortages: report to the Congress. Washington, Comptroller General of the United States, 1974. 281 pp. $1.00.

Arrangement regarding international trade in textiles. Geneva, GATT, 1974. 22 pp.

Economic and foreign policy effects of voluntary restraint agreements on textiles and steel, by the Comptroller General of the United States. Washington, General Accounting Office, 1974. 43 pp. (B–179342.) $1.00.

World food grain situation. Hearing, Subcommittee on South Asian Affairs and the Subcommittee on African Affairs, Committee on Foreign Relations, Senate, 93rd Cong., 1st Sess., Oct. 5, 1973. Washington, 1974. 94 pp.

Disarmament

ACDA authorization. Hearing, Committee on Foreign Relations, Senate, on S.3033, Apr. 24, 1974. Washington, 1974. 28 pp.

——. Report, Committee on Foreign Affairs, House, to accompany H.R.12799, Mar. 13, 1974. Washington, 1974. 11 pp. (H. Rept. 93—904.)

——. Report, Committee on Foreign Relations, Senate, to accompany H.R.12799, May 9, 1974. Washington, 1974. 5 pp. (S. Rept. 93—836.)

——. Conference Report, Je. 20, 1974. Washington, 1974. 2 pp. (H. Rept. 93—1125.)

Negotiation and statecraft; Chinese comment on strategic policy and arms limitation. Committee on Government Operations, Senate, Washington, 1974. 18 pp. (Com. Print.)

Eastern Europe

Exploitation of Siberia's natural resources; main findings of round table held 30th January–1st February, 1974 in Brussels, ed. by Yves Laulan. Brussels, NATO, Directorate of Economic Affairs, 1974. 199 pp.

U.S.–U.S.S.R. strategic policies. Hearing, Subcommittee on Arms Control, International

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Law and Organization, Committee on Foreign Relations, Senate, Mar. 4, 1974. Washington, 1974. 57 pp.

Financial Policy

The United States and multilateral development banks. Committee on Foreign Affairs, House, Mar. 1974. Washington, 1974. 230 pp. (Com. Print.)

The Overseas Private Investment Corporation Amendments Act. Report, Committee on Foreign Relations, Senate, on S.2957, Feb. 5, 1974. Washington, 1974. 69 pp. (S. Rept. 93—676.)

U.S. contribution to IDA. Hearings, Committee on Foreign Relations, Senate, on S.2665, Mar. 21–22, 1974. Washington, 1974. 103 pp.

——. Report, May 9, 1974. Washington, 1974. 15 pp. (S. Rept. 93—834.)

Foreign Aid

Authorizing additional appropriations to carry out the Peace Corps Act. Report, Committee on Foreign Affairs, House, to accompany H.R.12920, Mar. 5, 1974. Washington, 1974. 13 pp. (H. Rept. 93—875.)

——. Report, Committee on Foreign Relations, Senate, to accompany H.R.12920, Apr. 24, 1974. Washington, 1974. 24 pp. (S. Rept. 93—793.)

——. Report, Apr. 29, 1974. Washington, 1974. 26 pp. (S. Rept. 93—793.)

——. Act, approved Je. 1, 1974. Washington, 1974. 1 p. (93–302–H.R.12920.)

Foreign Disaster Assistance Act of 1974. Report, Committee on Foreign Affairs, House, to accompany H.R. 12412, Feb. 28, 1974. Washington, 1974. 9 pp. (H. Rept. 93—816.)

——. Hearing, Committee on Foreign Relations, Senate, H.R. 12412, Mar. 29, 1974. Washington, 1974. 87 pp.

——. Report, May 9, 1974. Washington, 1974. 6 pp. (S. Rept. 93—835.)

——. Conference Report, Je. 20, 1974. Washington, 1974. 4 pp. (H. Rept. 93—1126.)

International Law

Relating to the International Court of Justice. Report, Committee on Foreign Relations, Senate, to accompany S. Res. 74 [and others], May 9, 1974. Washington, 1974. 16 pp. (S. Rept. 93—842.)

The Sea: legal and political aspects; a select bibliography. New York, 1974. 46 pp. (74.I.9.) $2.50.

Middle East

The Middle East between war and peace, November–December, 1973. Staff Report, Subcommittee on Near Eastern Affairs, Committee on Foreign Relations, Senate, Mar. 5, 1974. Washington, 1974. 50 pp. (Com. Print.)

United Nations peacekeeping in the Middle East. Hearings, Subcommittee on International Organizations and Movements and the Subcommittee on the Near East and South Asia, Committee on Foreign Affairs, House, 93rd Cong., 1st Sess., Dec. 5–6, 1973. Washington, 1973. 105 pp.

Raw Materials and Energy Resources

Allocation of resources in the Soviet Union and China. Hearings, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, Apr. 12, 1974. Washington, 1974. 81 pp.

Energy imports and the U.S. balance of payments. Hearings, Subcommittee on International Economics, Joint Economic Committee, 93rd Cong., 1st Cong., Nov. 6–8, 1973. Washington, 1974. 162 pp.

Problems, resources and necessary progress in Community energy policy 1975–1985. Brussels, European Communities, n.d. 54 pp. BFr. 100.

Prospects of primary energy demand in the Community (1975–1980–1985). Brussels, European Communities, n.d. 121 pp. BFr. 100.

Resource scarcity, economic growth, and the environment. Hearings, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, 93rd Cong., 1st Sess., Dec. 19–21, 1973. Washington, 1974. 192 pp.

Petroleum in the 1970s; report of the Ad Hoc Panel of Experts on Projections of Demand and Supply of Crude Petroleum and Products, United Nations Headquarters, 9–18 March 1971. New York, 1974. 253 pp. (74.II.A.1.) $8.00.

The International Petroleum Cartel, the Iranian Consortium, and U.S. national security. Subcommittee on Multinational Corporations, Committee on Foreign Relations, Senate, Feb. 21, 1974. Washington, 1974. 158 pp. (Com. Print.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Underdeveloped Areas

The Crisis of development and interdependence. Hearings, Subcommittee on Africa, Committee on Foreign Affairs, House, 93rd Cong., 1st and 2nd Sess., May 23–Jl. 27, 1973; Feb. 28, 1974. Washington, 1974. 410 pp.

Current problems of economic integration; the effects of reverse preferences on trade among developing countries, by Alister McIntyre. New York, 1974. 105 pp. (73.II.D.18.) $4.00.

Debt problems in the context of development; report by the UNCTAD Secretariat. New York, 1974. 35 pp. (74.II.D.9.) $2.00.

Organization, management and supervision of public enterprises in developing countries. New York, 1974. 212 pp. (74.II.H.4.) $7.00.

The Role of voluntary agencies in international assistance: a look to the future. Washington, Agency for International Development, 1974. 152 pp.

United Nations

Implementation of the Lodge and Katzenbach recommendations on the United Nations. Subcommittee on International Organizations and Movements, Committee on Foreign Affairs, House, Je. 1974. Washington, 1974. 39 pp. (Com. Print.)

Yearbook of the United Nations, 1971. N.Y., 1974. 861 pp. (E.73.I.1.) $35.00.

United States

The Acquisition of weapons systems. Hearings, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, 91st Cong., 1st Sess., Nov. 14–16, 1973. Washington, 1974. Pt. 7.

Long term economic growth, 1860–1970. Washington, Dept. of Commerce, 1973. 311 pp. $4.45.

State/USIA authorizations. Hearings, Committee on Foreign Relations, Senate, on S. 3117–3119, Mar. 11–12, 1974. Washington, 1974. 236 pp.

——. Report, Committee on Foreign Relations, Senate, on S. 3473, May 9, 1974. Washington, 1974. 31 pp. (S. Rept. 93—838.)

Foreign relations of the United States. Washington, 1974.

1948. Vol. IV. Eastern Europe; The Soviet Union. 1161 pp. $10.80.

United States Information Agency authorization for fiscal year 1975. Hearings, Subcommittee on State Department Organization and Foreign Operations, Committee on Foreign Affairs, House, Apr. 3–22, 1974. Washington, 1974. 142 pp.

Science, technology and American diplomacy; U.S. scientists abroad: an examination of major programs for nongovernmental scientific exchange. Prepared for the Subcommittee on National Security and Scientific Developments, Committee on Foreign Affairs, House, April 1974, Congressional Research Service, Library of Congress. Washington, 1974. 163 pp. (Com. Print.)

U.S. chemical warfare policy. Hearings, Subcommittee on National Security Policy and Scientific Developments, Committee on Foreign Affairs, House, May 1–14, 1974. 374 pp.

Inquiring into the military alert invoked on October 24, 1973. Report, Committee on Foreign Affairs, House, to accompany H. Res. 1002, Apr. 4, 1974. Washington, 1974. 5 pp. (H. Rept. 93—970.)

Western Europe

Agricultural policy of the European Economic Community. Paris, OECD, 1974. 118 pp. (Agricultural Policy Reports.) $4.00.

Commonwealth Economic Papers. London, The Commonwealth Secretariat, 1972–73.

1. Reform of the international monetary system: some points of special interest to developing countries of the Commonwealth, by A.F.W. Plumptre. 18 pp. £0.50. *2.* The enlargement of the E.E.C. and the Asian Commonwealth countries, by D.P. Ghai. 56 pp. £0.75.

L'Europe agricole et l'élargissement du Marché Commun. Paris, La Documentation Française, 1974. 107 pp. (Notes et Etudes Documentaires, Nos. 4,061–3.)

Medium-term prospects and guidelines in the Community gas sector. Brussels, European Communities, 1972. 91 pp.

Monetary policy in Germany. Paris, OECD, 1973. 129 pp. (Monetary Studies Series.) $5.25.

Akten zur Deutschen Auswärtigen Politik, 1918–1945. Göttingen, Vandenhoeck & Ruprecht, 1973.

Serie C: 1933–1937. Das Dritte Reich: die ersten Jahre. Bd. III [14. Juni 1934 bis 30. März 1935]. 2 pts.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TEXTE zur Deutschlandpolitik. Bd. 10: 9. Februar 1972–23. Mai 1972. Bonn, Bundesministerium für Innerdeutsche Beziehungen, 1972. 606 pp.

WESTERN HEMISPHERE

THE INTER-American Conference of Tlatelolco. Report . . . to the Committee on Foreign Relations, Senate, Mar. 1974. Washington, 1974. 32 pp. (Com. Print.)

U.S. policy toward Cuba. Hearings, Subcommittee on Western Hemisphere Affairs, Committee on Foreign Relations, Senate, 93rd Cong., 1st Sess., Mar. 26–Apr. 18, 1973. 67 pp.

WORLD WAR II

ACTES et Documents du Saint Siège relatifs à la Seconde Guerre Mondiale. Città del Vaticano, Libreria Editrice Vaticana (for the Secrétairerie d'Etat de sa Sainteté), 1974.

8. Le Saint Siège et les victimes de la guerre, janvier 1941–décembre 1942. 806 pp.

DOCUMENTS diplomatiques français, 1932–1939. 2e série (1936–1939). Paris, Imprimerie Nationale (for the Ministère des Affaires Etrangères), 1973.

Tome VIII. 17 janvier–20 mars 1938. 1008 pp.

II. OTHER PUBLICATIONS

ACTA BALTICA, XIII: 1973. Königstein, Institutum Balticum, 1974. 264 pp. (Liber Annalis Instituti Baltici.)

AIR, WATER, EARTH, FIRE: THE IMPACT OF THE MILITARY ON WORLD ENVIRONMENTAL ORDER, by Michael McClintock [and others]. N.Y., Sierra Club, 1974. 71 pp. (International Series, 2.)

ALL TOGETHER NOW: THE ORGANIZATION OF THE DEPARTMENT OF NATIONAL DEFENCE IN CANADA 1964–1972, by V. J. Kronenberg. Toronto, Canadian Institute of International Affairs, 1973. 124 pp. (Wellesley Paper, 3.) $2.50.

DER AMERIKANISCH-SOWJETISCHE BILATERALISMUS UND SEINE AUSWIRKUNGEN AUF DIE SICHERHEIT WEST-EUROPAS, by Uwe Nerlich [and others]. Bonn, Forschungsinstitut der Deutschen Gesellschaft für Auswärtige Politik, 1974. 54 pp. (Arbeitspapiere zur Internationalen Politik, 1.)

ATTACKING RURAL POVERTY: HOW NONFORMAL EDUCATION CAN HELP, by P. H. Coombs with Manzoor Ahmed. Baltimore, Johns Hopkins University Press, 1974. 292 pp. (A research report for the World Bank prepared by the International Council for Educational Development.) $3.95.

DIE AUSSEN- UND SICHERHEITSPOLITIK JAPANS: GRUNDLAGEN UND ANSÄTZE EINER NEUORIENTIERUNG, by Joachim Glaubitz. Eggenberg, Stiftung Wissenschaft und Politik, Forschungsintitut für Internationale Politik und Sicherheit, 1973. 118 pp.

AUSTRALIA'S FOREIGN POLICY: NEW DIRECTIONS, NEW DEFINITIONS, by E. G. Whitlam. Canberra, Australian Institute of International Affairs, 1973. 14 pp. (Twenty-fourth Roy Milne Memorial Lecture.)

BEHIND THE HEADLINES. Toronto, Canadian Institute of International Affairs, 1974. 75¢ each.

Vol. XXXIII. No. 1. Alternative courses for the human future, by M. F. Strong. 18 pp. *No. 2.* Chile: the downfall of the Allende government, by Alexander Craig. 27 pp. *No. 3.* Future supplies of raw materials, by Charles Bruce. 15 pp.

BRITAIN'S CHANGING ROLE IN WORLD AFFAIRS, by Sir Alec Douglas-Home. London, The David Davies Memorial Institute of International Studies, 1974. 8 pp. (Annual Memorial Lecture.) 40 p.

BULGARIAN AGRICULTURE TODAY, by Ivan Prumov. Sophia, Sofia Press, n.d. 92 pp.

CHINA ALS ENTWICKLUNGSMODELL, by Al Imfeld. Stein/Nürnberg, Laetare Verlag, 1974. 134 pp.

CHRONOLOGIE DES INNERPARTEILICHEN LINIENKAMPFES IN DER KOMMUNISTISCHEN PARTEI CHINAS, 1949–1965, by Rüdiger Machetzki. Hamburg, Institut für Asienkunde, 1973. 149 pp. (Mitteilungen, 57.)

CONFERENCE ON WORLD ENERGY RESOURCES AND REQUIREMENTS AND THEIR EFFECT ON INTERNATIONAL RELATIONS. London, The Ditchley Foundation in association with The David Davies Memorial Institute, 1974. 57 pp. 50 p.

DETENTE THROUGH SOVIET EYES, by John Scott. New York, Radio Liberty Committee, 1974. 197 pp.

A DICTIONARY OF INTERNATIONAL LAW AND DIPLOMACY, by M. J. Gamboa. Dobbs Ferry, N.Y., Oceana Publications, 1974. 351 pp. $15.00.

DYASON MEMORIAL LECTURES 1973. I. NEW THEMES FOR ASIA; II. SOUTH-EAST ASIA IN

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TRANSITION; III. SINGAPORE SOLUTION, by S. Rajaratnam. East Melbourne, Australian Institute of International Relations, 1973. v.p.

ESSAYS ON AMERICAN FOREIGN POLICY, by D. C. DeBoe [and others]. Austin, Univ. of Texas Press, 1974. 146 pp. (The Walter Prescott Webb Memorial Lectures.) $5.00.

FOREIGN AFFAIRS STUDIES. Washington, American Enterprise Institute for Public Policy Research, 1974. $2.00 each.
10. Arms in the Persian Gulf, by D. R. Tahtinen. 31 pp. *11.* The Arab-Israeli military balance since October 1973, by D. R. Tahtinen. 43 pp.

FOREIGN POLICY DECISION MAKING: THE NEW DIMENSIONS. N.Y., United Nations Association of the United States of America, 1973. 103 pp. (A Report of a National Policy Panel Established by the United Nations Association of the United States of America in coöperation with the Carnegie Endowment for International Peace.) $1.00.

THE FOREIGN TAX CREDIT AND THE U.S. OIL INDUSTRY. N.Y., Petroleum Industry Research Foundation, 1974. 34 pp.

FRANCE AND ITS FUTURE, 1973–1985, by Edmund Stillman [and others]. Croton-on-Hudson, N.Y., Hudson Institute, 1973. 133 pp.

FREE TRADE IS GOOD, BUT WHAT ABOUT THE WORKERS? TRADE LIBERALISATION AND ADJUSTMENT ASSISTANCE, by Santosh Mukherjee. London, PEP, 1974. 121 pp. (Broadsheet, 543.) £1.50.

FREEDOM AND DEVELOPMENT; UHURU NA MAENDELEO: A SELECTION FROM WRITINGS AND SPEECHES, 1968–1973, by J. K. Nyerere. N.Y., Oxford Univ. Press, 1973. 400 pp. $3.95.

FUNDING CANADA'S INVESTMENT NEEDS: DIMENSIONS OF THE TASK, by C. E. Beigie and Richard Shaffner. Montreal, C. D. Howe Research Institute, 1974. 21 pp.

THE GATT NEGOTIATIONS, 1973–75: A GUIDE TO THE ISSUES, by Sidney Golt. Washington, British-North American Committee, 1974. 82 pp. $2.50.

GRUNDZÜGE DER ALBANISCHEN POLITIK: VERSUCH EINER THEORIE POLITISCHER KONTINUITÄT VON DEN ANFÄNGEN DER ALBANISCHEN NATIONALBEWEGUNG BIS HEUTE, by Klaus Lange. Munich, Rudolf Trofenik, 1973. 129 pp. (Beiträge zur Kenntnis Südosteuropas und des Nahen Orients, XV.)

HEADLINE SERIES. N.Y., Foreign Policy Association, 1974. $1.25 each.
220. The Persian Gulf: prospects for stability, by J. C. Hurewitz. 63 pp. *221.* The Atlantic Alliance, by Klaus Knorr. 63 pp.

IN SEARCH OF SELF-RELIANCE: U.S. SECURITY ASSISTANCE TO THE THIRD WORLD UNDER THE NIXON DOCTRINE, by G. J. Pauker [and others]. Santa Monica, Rand (for Defense Advanced Research Projects Agency), 1973. 67 pp. (R-1092-ARPA.)

KARL RADEK UND DIE DEUTSCH-SOWJETISCHEN BEZIEHUNGEN 1918–1923, by M.-L. Goldbach. Bonn, Verlag Neue Gesellschaft, 1973. 163 pp. (Schriftenreihe des Forschungsinstituts der Friedrich-Ebert-Stiftung, 97.)

DIE KONFERENZ ÜBER SICHEREIT UND ZUSAMMENARBEIT IN EUROPA: EINE ZWISCHENBILANZ DER GENFER KOMMISSIONSPHASE, by K. E. Birnbaum. Bonn, Forschungsinstitut der Deutschen Gesellschaft für Auswärtige Politik, 1974. 53 pp. (Arbeitspapier zur Internationalen Politik, 2.)

KOOPERATION ODER KONFRONTATION: GATT-RUNDE 1973, by F. J. Jägeler. Hamburg, Verlag Weltarchiv, 1974. 168 pp. (Veröffentlichungen des HWWA-Institut für Wirtschaftsforschung—Hamburg.)

LATIN AMERICAN POLITICAL THOUGHT: A DEVELOPMENTAL PERSPECTIVE, by E. J. Williams. Tucson, Arizona, Univ. of Arizona Press (for the Institute of Government Research), 1974. 69 pp. (Comparative Government Studies, 6.) $1.50.

LETTER TO THE SOVIET LEADERS, by A. I. Solzhenitsyn. N.Y., Index on Censorship in association with Harper & Row, 1974. 59 pp. $3.50.

THE MAJOR INTERNATIONAL TREATIES 1914–1973: A HISTORY AND GUIDE WITH TEXTS, by J. A. S. Grenville. N.Y., Stein and Day, 1974. 575 pp.

THE MANAGEMENT OF INTERDEPENDENCE: A PRELIMINARY VIEW, by Miriam Camps. N.Y., Council on Foreign Relations, 1974. 104 pp. (Council Papers on International Affairs.) $2.50.

THE MIDDLE EAST: U.S. POLICY, ISRAEL, OIL AND THE ARABS. Washington, Congressional Quarterly, 1974. 100 pp.

THE MONETARY SYSTEM: ITS COMPONENTS AND SOME TRADE ISSUES, by B. Narpati. Rotterdam, University Press, 1973. 136 pp.

MORE EFFECTIVE PROGRAMS FOR A CLEANER ENVIRONMENT: A STATEMENT ON NATIONAL POLICY, by the Research and Policy Committee of the Committee for Economic Development. N.Y., C.E.D., 1974. 74 pp. $2.00.

MULTINATIONAL CORPORATIONS IN WORLD DEVELOPMENT, by United Nations Department of Economic and Social Affairs. N.Y., Praeger, 1974. 200 pp. $12.50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NORGE OG RUSTININGSKONTROLL I EUROPA, ed. by J. J. Holst. Oslo, Dreyers Forlag (for the Norsk Utenrikspolitisk Institutt), 1974. 106 pp. (Utenrikspolitiske Studier, 10.)

THE OIL CRISIS—ITS IMPACT ON JAPAN AND ASIA. Tokyo, Japan Institute of International Affairs, 1974. 24 pp.

THE OUTLOOK FROM 1973; REPORT OF THE NATIONAL ECONOMIC CONFERENCE, MONTREAL, DECEMBER 12–14, 1973. Ottawa, Economic Council of Canada, 1974. 47 pp. $1.75.

PARLIAMENTS AND EUROPEAN RAPPROCHEMENT: THE CONFERENCE OF THE INTER-PARLIAMENTARY UNION ON EUROPEAN CO-OPERATION AND SECURITY (HELSINKI, JANUARY 1973), by Jukka Huopaniemi. Leiden, Sijthoff (for the Institut Universitaire de Hautes Etudes Internationales), 1973. 138 pp.

PATTERNS OF UNEVEN DEVELOPMENT: CAUSES AND CONSEQUENCES IN ZAMBIA, by R. H. Bates. Denver, Social Science Foundation and Graduate School of International Studies, University of Denver, 1974. 59 pp. (Monograph Series in World Affairs, Vol. 11, No. 3.)

PEACE IS THE CONCERN OF ONE AND ALL: MATERIALS AND DOCUMENTS OF THE WORLD CONGRESS OF PEACE FORCES, MOSCOW, OCTOBER 1973. Moscow, Novosti Press Agency Publishing House, 1973. 59 pp. 32 kop.

POLICIES OF ASEAN COUNTRIES TOWARDS DIRECT FOREIGN INVESTMENT, by T. W. Allen. N.Y., Southeast Asia Development Advisory Group, Asia Society, 1974. 87 pp.

POLITISK FORSKNING I NORGE: TILBAKEBLIKK OG UTSYN, by Stein Rokkan. Bergen, A. S. John Griegs Boktrykkerei (for Chr. Michelsens Institutt), 1974. 20 pp.

PROBLEMS AND APPROACHES FOR SOLUTION OF AN ASSOCIATION BETWEEN FIJI, TONGA, WESTERN SAMOA AND THE EUROPEAN COMMUNITY, by Klaus Billerbeck. Berlin, German Development Institute, 1974. 71 pp.

RESEARCH MONOGRAPHS. Princeton, Center of International Studies, Woodrow Wilson School of Public and International Studies, 1974.
40. Multiple vulnerabilities: the context of environmental repair and protection, by Harold and Margaret Sprout. 66 pp. $4.00. *41.* The global populists: Third-World nations and world-order crises, by Fouad Ajami. 36 pp. $3.00.

SOUTHEAST ASIA: DOCUMENTS OF POLITICAL DEVELOPMENT AND CHANGE, ed. by R. M. Smith. Ithaca, Cornell Univ. Press, 1974. 608 pp.

SOVIET-ASIAN RELATIONS, by C. B. McLane. N.Y., Columbia University Press (for the Central Asian Research Centre, London), 1973. 150 pp. (Soviet-Third World Relations, 2.)

TOWARD A NEW INTERNATIONAL ECONOMIC SYSTEM: A JOINT JAPANESE-AMERICAN VIEW. A Statement by the Research and Policy Committee of the Committee for Economic Development and Keizai Doyukai, the Japan Committee for Economic Development. N.Y., C.E.D., 1974. 54 pp. $2.00.

U.S. ENERGY PROSPECTS: AN ENGINEERING VIEWPOINT. A report prepared by the Task Force on Energy of the National Academy of Engineering. Washington, National Academy of Engineering, 1974. 141 pp.

VÄRLDSPOLITIKENS DAGSFRÅGOR. Stockholm, Utrikespolitiska Institutet, 1974. Kr. 4.50 each.
3. DDR—en stat växer fram, by Richard Swartz. 36 pp.

DAS VERTRAGSWERK DES ZENTRALAMERIKANISCHEN GEMEINSAMEN MARKTES, by Reinhard Peterwerth. Berlin, Colloquium Verlag (for the Ibero-Amerikanisches Institut, Preussischer Kulturbesitz), 1973. (Bibliotheca Ibero-Americana, 18.) 134 pp. DM. 19.

WATERGATE, POLITICS, AND THE LEGAL PROCESS: AN AEI ROUND TABLE HELD ON 13 AND 14 MARCH 1974, by A. M. Bickel and others. Washington, American Enterprise Institute for Public Policy Research, 1974. 89 pp. $2.00.

YEARBOOK OF FINNISH FOREIGN POLICY 1973. Helsinki, Finnish Institute of International Affairs, 1974. 67 pp. $5.00.

Errata: April 1974 issue of *Foreign Affairs,* p. 498, fn. 1, l. 3, insert "New Zealand." July 1974 issue of *Foreign Affairs,* p. 681, l. 7, for "Colorado" read "Wisconsin"; p. 724, ll. 16–18, for "three" read "eight," for "19" read "50," for "three" read "eight"; p. 804, l. 10, for "repressive" read "unrepressive."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS INDEX TO VOLUME 52

NO. 1—OCTOBER 1973

Foreign Policy, Public Opinion and Secrecy
Nicholas deB. Katzenbach 1
Does War Have A Future? . . . . . *Louis J. Halle* 20
Toward a Western Philosophy of Coexistence
Marshall D. Shulman 35
The Domestic Politics of the New Soviet Foreign Policy
Wolfgang Leonhard 59
Ariel or Caliban? . . . . . *Marcos G. McGrath* 75
The Concert of Europe . . . . . *James Chace* 96
The Mutual-Hostage Relationship between America and Russia
Wolfgang K. H. Panofsky 109
Canada and Its Economic Discontents . . . *Robert M. Dunn, Jr.* 119
Japan and Russia: The View from Tokyo . . . . *Elizabeth Pond* 141
Making American Diplomacy Relevant . . . *Monteagle Stearns* 153
Pressures on Apartheid . . . . . *David Hirschmann* 168
Correspondence 180
Byron Dexter (1900–1973) 191
Recent Books on International Relations 192
Source Material . . . . . *Donald Wasson* 209

NO. 2—JANUARY 1974

The War and the Future of the Arab-Israeli Conflict
Nadav Safran 215
The Year of Europe? . . . . . *Z* 237
DILEMMAS OF DÉTENTE
Apparatchiks and Entrepreneurs: U.S.-Soviet Economic Relations
Raymond Vernon 249
Pluralism and Policy . . . . . *Stephen S. Rosenfeld* 263
Most-Favored-Nation and Less Favorite Nations
Theodore C. Sorensen 273
America Agonistes . . . . . *Max Lerner* 287
Diplomats at Sea . . . . . *Seyom Brown and Larry L. Fabian* 301
The "Invisible Blockade" and the Overthrow of Allende
Paul E. Sigmund 322
The Sinic World in Perspective . . . . . *Edwin O. Reischauer* 341
China and the Balance of Power . . . . . *Robert A. Scalapino* 349
RECONSIDERATIONS: THE COLD WAR
Was the Truman Doctrine a Real Turning Point?
John Lewis Gaddis 386
The Shadow of John Foster Dulles . . . . . *Gaddis Smith* 403
Correspondence 409
Recent Books on International Relations 413
Source Material . . . . . *Donald Wasson* 431

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NO. 3—APRIL 1974

THE YEAR OF ECONOMICS

The Struggle for the World Product . . . . *Helmut Schmidt* 437

The Economic Consequences of the Energy Crisis *Gerald A. Pollack* 452

U.S. Trade Policy: The New Political Dimensions *William Diebold, Jr.* 472

Developing Countries and Non-Fuel Minerals *Bension Varon and Kenji Takeuchi* 497

World Food: Prices and the Poor . . . . . *Lyle P. Schertz* 511

France, the European Crisis and the Alliance *James O. Goldsborough* 538

The Hard Road to World Order . . . . *Richard N. Gardner* 556

The Legitimate Claims of National Security *Maxwell D. Taylor* 577

Weapons Potentially Inhumane: The Case of Cluster Bombs *Michael Krepon* 595

The Philippines Without Democracy . . . . *Peter R. Kann* 612

RECONSIDERATIONS

Jawaharlal Nehru: Of Pride and Principle *Neville Maxwell* 633

Correspondence 644

Recent Books on International Relations 651

Source Material . . . . . *Donald Wasson* 669

NO. 4—JULY 1974

Foreign Policy under a Paralyzed Presidency *Chalmers M. Roberts* 675

World Oil Coöperation or International Chaos . *Walter J. Levy* 690

Natural Resource Dependency and Japanese Foreign Policy *Saburo Okita* 714

Europe and America: A Critical Phase . . . . *Karl Kaiser* 725

Population and Development: Is a Consensus Possible? *Michael S. Teitelbaum* 742

The New Nuclear Debate: Sense or Nonsense? *Ted Greenwood and Michael L. Nacht* 761

Dissent in Russia . . . . . *Abraham Brumberg* 781

Peru's Ambiguous Revolution . . . . *Abraham F. Lowenthal* 799

Asian Triangle: China, India, Japan . . *William W. Lockwood* 818

Tremors in the Western Pacific . . . . . *Eugene B. Mihaly* 839

Correspondence 850

Recent Books on International Relations 853

Source Material . . . . . *Donald Wasson* 871

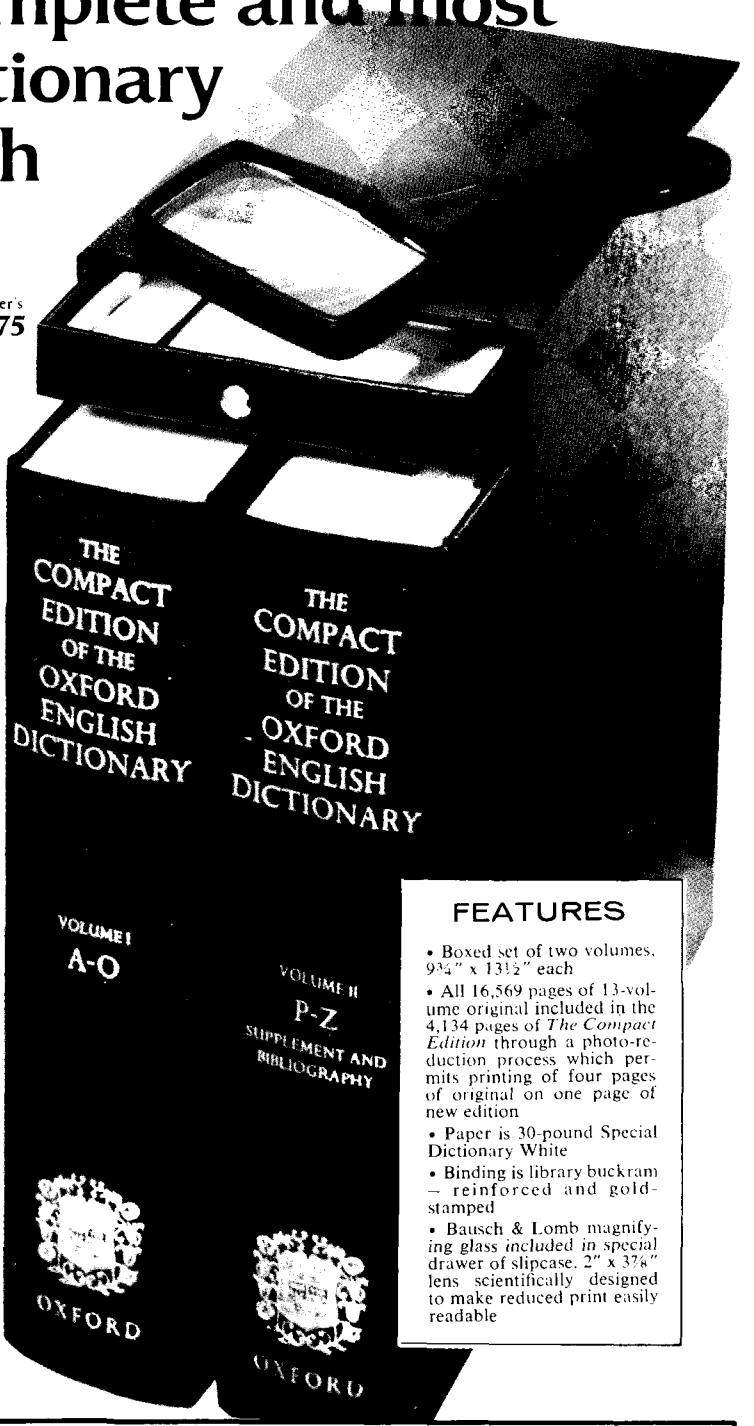
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

As your introduction to membership in the BOOK-OF-THE-MONTH CLUB®

The most complete and most scholarly dictionary of the English language for only $15

Publisher's price $75

THE SUGGESTED TRIAL: You simply agree to buy four Club choices within a year at substantial savings on most books you choose



THE OXFORD ENGLISH DICTIONARY is generally regarded as the final arbiter of the meaning, origin, history and usage of words in the English language. Until now, it has been available only as a thirteen-volume set, priced at $350. Now, through the combination of an ingenious method of micrographic reproduction and a fine Bausch & Lomb optical lens, every single one of its 16,569 pages, fifty million words and close to two million illustrative quotations appears, in easily readable form, in the two volumes of *The Compact Edition.*

> The *New York Times* book critic Christopher Lehmann-Haupt has said of this edition: "It is something of a miracle. . . . *The Compact Edition* is easier to work with than the original with its 13 separate volumes. . . . Even at $75, the set is an extraordinary bargain."

Even more extraordinary, as a trial member of the Book-of-the-Month Club you may obtain *The Compact Edition of the Oxford English Dictionary* for only $15. And as long as you remain a member, you will receive the Book-of-the-Month Club *News,* a literary magazine announcing the coming selection and describing other important books, most of which are available at substantial discounts – up to **40%** on more expensive volumes. All of these books **are identical to the publishers' editions in content, format, size and quality.**

If you continue after your trial membership, you will earn at least one Book-Dividend® Credit for every Selection or Alternate you buy. These Credits entitle you to obtain a wide variety of books, called Book-Dividends, at astonishing savings – *at least 70% of publishers' list prices.* Under this unique system, more than 100 Book-Dividends will be available to choose from every year, enabling you to acquire a well-rounded library at a small fraction of what you would otherwise have to pay.

FACTS ABOUT MEMBERSHIP

You will receive the Book-of-the-Month Club *News,* a literary magazine published by the Club fifteen times a year. The *News* describes the coming Selection and scores of Alternates, and will be sent to you approximately every three and a half weeks.

If you wish to purchase the Selection, do nothing and it will be shipped to you automatically.

If you do not want the Selection – or you would like one of the Alternates, or no book at all – simply indicate your decision on the reply form always enclosed with the *News* and mail it so we receive it by the date specified.

If, because of late mail delivery of the *News,* you should receive a Selection without having had 10 days to decide whether you want it, that selection may be returned at Club expense.

FEATURES

- Boxed set of two volumes, 9¾" x 13½" each
- All 16,569 pages of 13-volume original included in the 4,134 pages of *The Compact Edition* through a photo-reduction process which permits printing of four pages of original on one page of new edition
- Paper is 30-pound Special Dictionary White
- Binding is library buckram – reinforced and gold-stamped
- Bausch & Lomb magnifying glass included in special drawer of slipcase. 2" x 3⅞" lens scientifically designed to make reduced print easily readable

BOOK-OF-THE-MONTH CLUB, INC.
280 Park Ave., New York, N.Y. 10017

4-A53-10

Please enroll me as a member of the Book-of-the-Month Club and send me *The Compact Edition of the Oxford English Dictionary,* billing me $15 (in Canada $17.50 – publisher's price $82.50). I agree to buy at least four Selections or Alternates during the first year I am a member, paying in most cases special members' prices. My membership is cancelable any time after I buy these four books. A shipping charge is added to all shipments.

MR. / MRS. / MISS { ..... (Please print plainly)

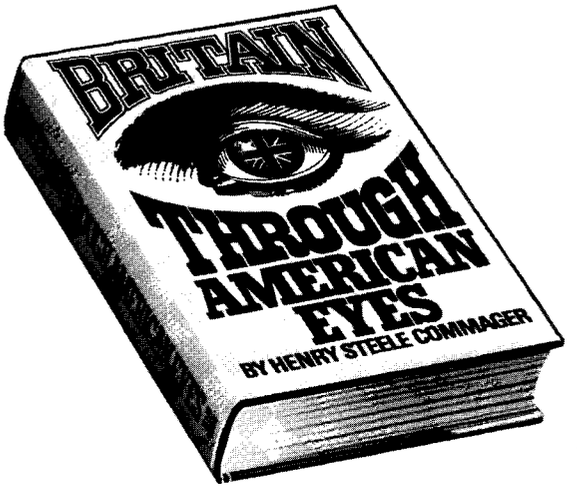
Address 54

City .....

State ..... *Zip* .....

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A noted historian presents "a delectable anthology"



BRITAIN THROUGH AMERICAN EYES

Edited, with an Introduction and Commentaries, by

Henry Steele Commager

America's changing attitudes toward the Mother Country as seen in the letters, articles, and diaries of a hundred prominent Americans from 1777 to 1948. Those represented include Adams, Jefferson, Irving, Cooper, Emerson, Hawthorne, Lowell, Henry James, Santayana, and many more —including Commager himself. "A delectable anthology... Each of the excerpts carries its individual flashes of insight, illumination, and occasionally intemperance."
—John Barkham

767 pages. $17.50

New views of two men who made -and changed-history

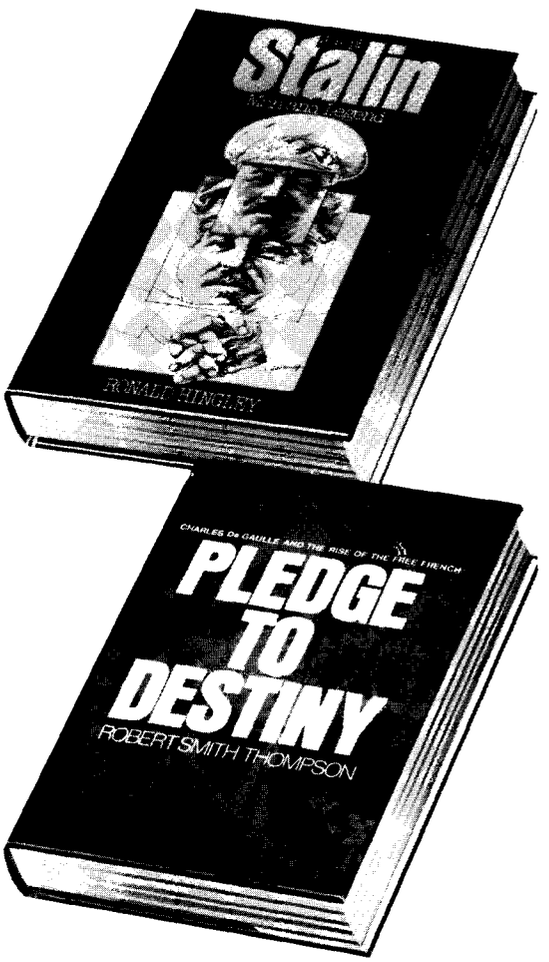
JOSEPH STALIN

Man and Legend

Ronald Hingley

A major biography of the brilliant, ruthless revolutionary who rose from obscure origins in a backward province of Russia to become the Supreme Ruler of Eastern Europe—and one of the most absolute, most idolized, most feared tyrants of all time. "Hingley's style is... enlivened by a tart, passionate irony. Despite the intensity of his moral indignation at Stalin's cruelties, he is scrupulously fair to Stalin's immense abilities and achievements."—Sidney Hook, *New Republic*

24 pages of illustrations. $15



PLEDGE TO DESTINY

Charles de Gaulle and the Rise of the Free French

Robert Smith Thompson

This book reads like a superb thriller, yet is completely authentic history. It is the story of how Charles de Gaulle kept the cause of Free France alive during the crucial years 1940-1942—and molded his nation-in-exile into a fighting force that would share in the final victory. "An unforgettable picture of de Gaulle... Should be read by all who are fascinated by the role of the leader in history."—*Publishers Weekly*

20 pages of illustrations. $9.95

McGraw-Hill

McGraw-Hill Book Company, 1221 Avenue of the Americas, New York, N.Y. 10020

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Aeroflot flies to Paris and back.

You can fly to Paris and back aboard Aeroflot's long-range Ilyushin 62 turbojet, the flagship of the USSR civil aviation fleet.

Aeroflot has a round trip every Friday between Washington and Paris.

Of course, if you would like to visit the USSR you can fly on to Moscow. Or take our flight from New York to Moscow via London every Sunday.

Friday Flt. SU318	
leave Washington	8:25 p.m.
arrive Paris	9:00 a.m.
arrive Moscow	3:45 p.m.
Sunday Flt. SU312	
leave New York	9:30 p.m.
arrive London	9:15 a.m.
arrive Moscow	3:35 p.m.
Friday Flt. SU317	
leave Moscow	11:00 a.m.
leave Paris	2:10 p.m.
arrive Washington	6:00 p.m.
Sunday Flt. SU311	
leave Moscow	1:30 p.m.
leave London	4:35 p.m.
arrive New York	7:30 p.m.

For more information or reservations contact Aeroflot at (212) 661-4050, (202) 296-0077 or call your Pan Am® general agent of Aeroflot.

АЭРОФЛОТ Soviet airlines

545 5th Avenue, New York, N.Y. 10017

There's more to us than Moscow and Leningrad.

Come to our Caucasus. It's another vacation.

In our Caucasus, you can find enough variety to keep you busy for a dozen vacations. In any season. Come for wintertime skiing at Mount Elbrus or Dombey, as challenging as any Alpine slopes. Go hunting in our "wide open spaces". And participate in colorful, seasonal folk festivals in our cities and villages. Wherever you travel in the Caucasus—friendly Armenia, that incredible "open air museum" of archaeological treasures; alluring Azerbaijan with its subtropical beaches and Oriental culture; rugged Georgia and her brilliantly contrasting natural landscapes—you are never very far from the by now legendary hospitality, the justly famed cuisine, the great wines and liquors. Try them all. This very year. In the Caucasus. The different and original vacation idea.

For more information on this and other unique vacation ideas in all 15 republics of the Soviet Union, see your travel agent or mail the coupon below to us.

Intourist

USSR COMPANY FOR FOREIGN TRAVEL
TRAVEL INFORMATION OFFICE IN THE U.S.A.
45 East 49th Street, New York, N.Y. 10017
Telephone: (212) 371-6953

Please send me further information on:

- ☐ The Caucasus
- ☐ Black Sea Resorts
- ☐ Medical treatment tours
- ☐ Armenia
- ☐ Azerbaijan
- ☐ Georgia

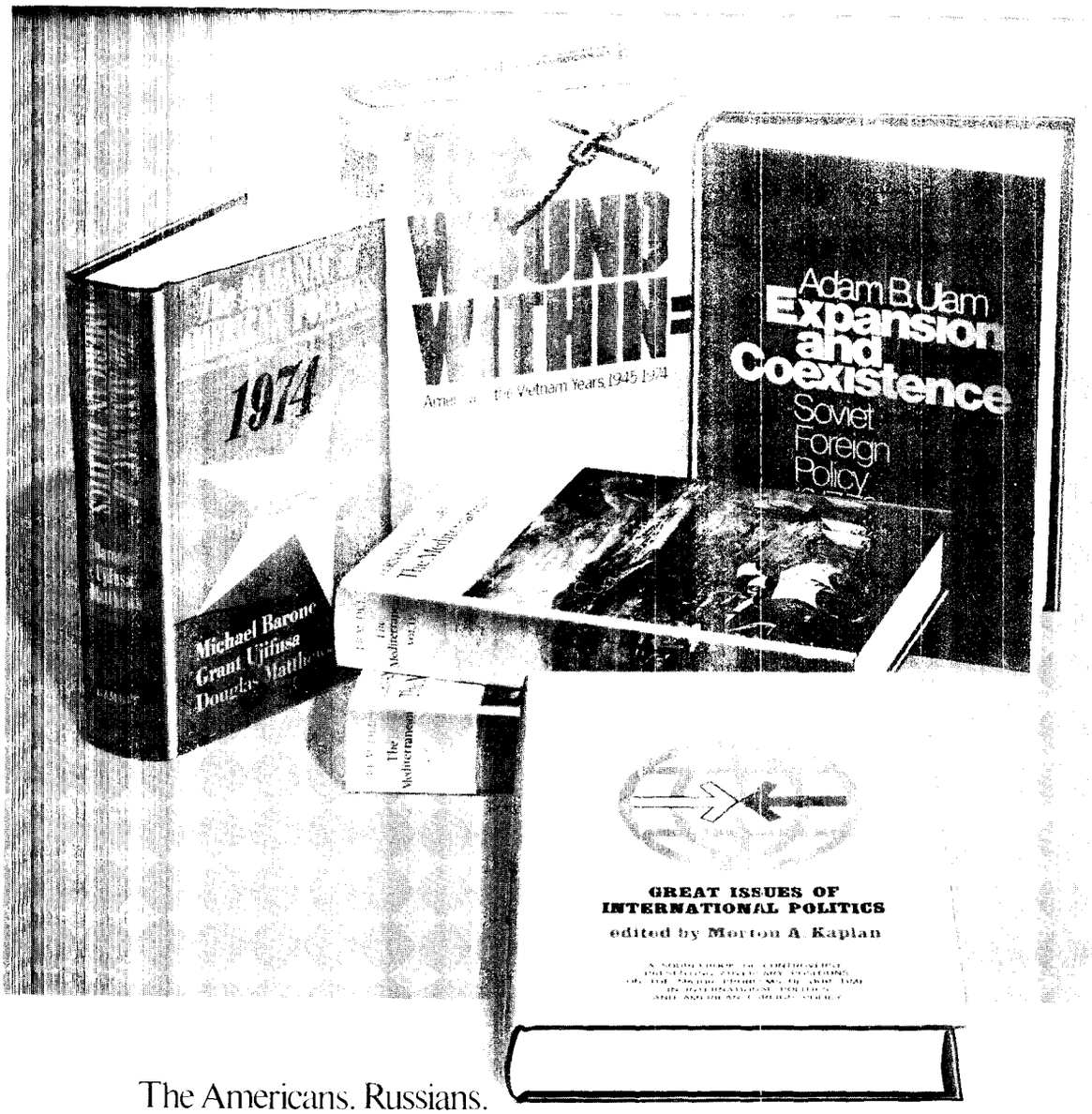
Name _____

Address _____

City _____

State _____ Zip _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



The Americans. Russians.
Arabs. Asians. Israelis. Africans.
Past, present, future. All in:

The Library of Political and International Affairs

The *one* book club that covers the whole wide world. *Your* world. Every area that intrigues or infuriates. The books you must read to understand the world you're living in *now*. Important books.

All brought to you by **The Library of Political and International Affairs.** And all at substantial discounts! A most remarkable book club. A most intriguing offer.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

61800. THE MEDITERRANEAN and the Mediterranean World in the Age of Philip II. Two volumes. *Fernand Braudel.* Probably one of the greatest works of history ever written, and one which makes all other studies of the region obsolete. Brilliant in its language, profound in its thought, exact in its scholarship, marvelous to read. Widely and wildly acclaimed by leading critics in England, France and America. *The set counts as two of your 3 books.* **$35.00**

73850. REMAKING ASIA. *Edited by Mark Selden.* Provocative essays that explore the consequences of American power in Asia—both on the Asian countries and on the United States. Invaluable reading for those concerned with the American past, present and future in Asia. **$12.95**

56200. INTRODUCTION TO AFRICAN POLITICS. *Brian Weinstein and Leslie Rubin.* Probes the African experience to show how indigenous patterns of thought and action have survived the European presence, and how they must change our view of African developments. **$12.00**

32445. AN AGE OF MEDIOCRITY. *C.L. Sulzberger.* One of the most informative books on foreign affairs of the decade—passionate, brutal, sometimes scandalous—by the man who has talked candidly to just about every head of state in the last twenty years. **$12.95**

78250. THE SHAPE OF EUROPEAN HISTORY. *William H. McNeill.* "Professor McNeill has succeeded admirably... He has found a shape in the vast mass of information about the western end of the Old World during the last three thousand years."Arnold Toynbee **$7.50**

79910. SPAIN UNDER FRANCO. *Max Gallo.* Spine-chilling story of the rise of the Franco dictatorship, the nightmare vacuity—and acuity—of the regime, and where it is headed. **$12.50**

32550. THE ALMANAC OF AMERICAN POLITICS. *Michael Barone, Grant Ujifusa and Douglas Matthews.* Indispensable reference guide to Congress, with the careers, committees, power bases of the members, much more. Newly revised and updated. **$15.00**

80000. STALIN: The Man and His Era. *Adam B. Ulam.* The first genuinely historical biography with a balanced assessment of his achievements and the terrible price the Russian people paid for them. **$12.95**

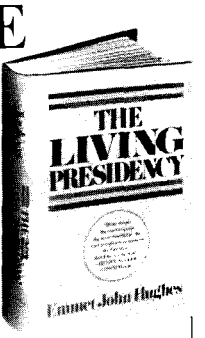
50590. GREAT ISSUES OF INTERNATIONAL POLITICS. Second Edition. *Edited by Morton A. Kaplan.* Illuminating, provocative essays by outstanding scholars and statesmen on current affairs—the major problems and attempts at controlling them in today's world. **$17.50**

How the Club Operates

The Book Club **News,** describing the coming Main Selection and Alternate Selections, will be sent to you 15 times a year at three to four week intervals. • If you wish to purchase the Main Selection, do nothing and it will be shipped to you automatically. • If you prefer one of the Alternates, or no book at all, simply indicate your decision on the reply form always enclosed with the **News** and mail it so we receive it by the date specified. • The **News** is mailed in time to allow you at least 10 days to decide if you want the coming Main Selection. If, because of late mail delivery of the **News,** you should ever receive a Main Selection without having had the 10-day consideration period, that Selection may be returned at Club expense. • After completing your trial membership, you will be entitled to take advantage of our fabulous bonus plan.

FREE

if you act now:



The Living Presidency

By Emmet John Hughes

"Quite simply the most original, the most thoughtful, the most perspicacious book on the Presidency that I have ever read."—Henry Steele Commager. A **$10.50 value.**

Take any 3 books

(values to $52.50)

for only $1 each

You simply agree to buy 3 more books—all at handsome discount—over the next 12 months.

(retail prices shown)

53200. HITLER'S WAR AIMS. *Norman Rich.* Two-volume, definitive study of the Nazi war program. Discusses the strategy behind Hitler's seemingly improvisational tactics. "It is amply documented, thoroughly scholarly in method, scrupulous in detailed; sensible in judgment."—H.R. Trevor-Roper. *The set counts as 2 of your 3 books.* **$24.95**

87950. THE WOUND WITHIN. *Alexander Kendrick.* Part history, part political analysis, and wholly informative, the book offers a vividly-drawn account of major events and decisions that led to United States intervention in Southeast Asia. Kendrick explains how two decades of excessive concern over communist expansion boxed the U.S. into an ideological corner with no convenient exits. **$12.50**

56951. THE JAPAN READER. Vol. I: IMPERIAL JAPAN 1800-1945/Vol. II: POST-WAR JAPAN 1945 to the Present. *Edited by Jon Livingston, Joe Moore and Felicia Oldfather.* A magnificent panorama of Japan's politics and society from late feudal times to the present. *Counts as 2 of your 3 books.* **$30.00**

85640. THE UNITED STATES AND THE ORIGINS OF THE COLD WAR, 1941-1947. *John Lewis Gaddis.* Winner of the Bancroft Prize, this book describes the evolution of Soviet-American relations from the Grand Alliance of 1941 to the Truman Doctrine of 1947. "An excellent addition to the history of the cold war."—*The Nation* **$15.00**

57065. KGB: The Secret Work of Soviet Agents. *John Barron.* The first definitive study of the grisly bureaucratic eminence that is the principal instrument through which the Soviet Union is ruled. **$10.95**

34241. THE ARAB MIND. *Raphael Patai.* A revealing study of the structure of Arab society and its effect on Middle East politics. Enlightening chapters on child upbringing, sexual behavior, language, religion, and nationalism make this a superb gateway to the whole Arab consciousness. **$12.50**

48501. FIFTY YEARS OF FOREIGN AFFAIRS. *Edited by Hamilton Fish Armstrong.* Outstanding essays by statesmen and leading intellectuals—such as W.E.B. DuBois, Henry Kissinger, Benedetto Croce, Margaret Mead, and others. **$12.50**

69621. POWER PLAY: Oil in the Middle East. *Leonard Mosley.* A vivid, authoritative exposé of the maneuverings, intrigues and struggles between oil-rich sheiks and concessionaires and the world's largest governments. **$10.00**

46970. EXPANSION AND COEXISTENCE. *Adam B. Ulam.* Incisive analysis of Soviet foreign relations. From the Revolution through the "cold war" to detente. Ulam shows the massive forces at work behind Soviet policy. **$15.95**

60490. MAO AND CHINA. *Stanley Karnow.* How Mao came to conceive of his Great Proletarian Cultural Revolution, and how he failed. Makes Mao and his antagonists speak out in the heat of their struggle as no one has done before. **$15.00**

42130. THE DEVIL AND JOHN FOSTER DULLES. *Townsend Hoopes.* The first full-scale biography of one of our most powerful Secretaries of State and policy-makers—and a masterful study of the diplomacy of the Eisenhower years. **$15.00**

The Library of Political & International Affairs F-66C

Riverside, New Jersey 08075

Please accept my application for membership and send me the three volumes indicated plus my FREE gift, billing me only $1 each. I agree to purchase at least three additional Selections or Alternates during the first year I am a member, under the club plan described in this ad. Savings range up to 30% and occasionally even more. My membership is cancelable any time after I buy these three books. A shipping and handling charge is added to all shipments. **Send no money. Members are billed when books arrive.**

3 BOOKS FOR $1 EACH **Indicate by number the 3 books you want.**

Some expensive books count as 2 selections.

Name_____

Address_____

City_____ State_____ Zip_____

(Offer good in Continental U.S. and Canada only. Prices slightly higher in Canada.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New from Columbia

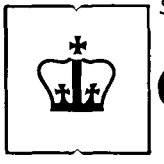
PUBLIC PAPERS OF THE SECRETARIES-GENERAL OF THE UNITED NATIONS
Volume 4: Dag Hammarskjöld, 1958–1960
ANDREW W. CORDIER and WILDER FOOTE, Editors
Hammarskjöld's unanimous reelection, his settlement of the Lebanon-Jordan affair, and his attempts to promote a lasting peace in Indochina are among the events recounted here through documentary and press materials and the editor's commentaries. $22.50

THE VIENNA BROADCASTS TO SLOVAKIA
A Case Study in Subversion
HENRY DELFINER
The Nazi radio broadcasts to Czechoslovakia were the earliest examples of radio propaganda for the purpose of subversion. Professor Delfiner's study of these broadcasts will be important to students of propaganda, anti-Semitism, and the Munich period in East European history.
East European Monographs. $10.00

THE 1917 REVOLUTION IN LATVIA
ANDREW EZERGAILIS
This is the first scholarly study in a Western language of the 1917 Revolution in Latvia. Through studying the revolution in the provinces, Professor Ezergailis brings to light evidence which challenges traditional interpretations of this important era.
East European Monographs. $12.50

DETERRENCE IN AMERICAN FOREIGN POLICY: THEORY AND PRACTICE
ALEXANDER L. GEORGE and RICHARD SMOKE
Based on case studies of deterrence strategy since World War II, the authors show the limitations of deterrence in the modern world and suggest such alternatives as positive incentive and negotiation to settle international disputes.
cloth, $17.50; paper, $6.95

GERMAN POLITICS UNDER SOVIET OCCUPATION
HENRY KRISCH
This is a case study of Soviet political manipulation after the end of World War II in what is now East Germany. The book will be an important asset to scholars of the origins of the Cold War and a basic reference for studies in the development of the German Democratic Republic and Eastern Europe generally.
Studies of the Russian Institute, Columbia University. $15.00



COLUMBIA UNIVERSITY PRESS
Address for orders: 136 South Broadway, Irvington, New York 10533

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Vacation in the 18th Century.

The change will do you good. It will take you back to a time is chaotic, yet far more courtly han our own. That's why we in- ite you to take any three books bout the 18th Century as your ntroduction to The History Book Club.

Or pick another century, if ou like. Or indeed any three ooks listed on this page. You get ll three for 99¢ when you choose fourth at the low member's price. hen you simply take four more ew books in the coming year rom the 150 offered each month.

They're easy to take at $2, 3 and $4 off bookstore prices. nd this Club has a Bonus Plan hat lets you choose *any* book we ffer, not just certain ones.

The History Book Club has een serving readers of history nd world affairs for 28 years. se the coupon to try our kind of acation. You'll find the views pectacular. And the fare more han reasonable.

irst price is publisher's list.
oldface shows member's price.

41. Wellington: The Years of the Sword
y Lady Elizabeth Longford. A gripping ar narrative and warts-and-all portrait f the man, by a descendant with access all the family archives. $12.50/**$8.75**

70. The Limits of Foreign Policy: he West, the League, and the Far astern Crisis of 1931-33
y Christopher Thorne. $12.95/**$8.95**

04. The Indian Heritage of America
y Alvin M. Josephy, Jr. $10.00/**$7.50**

58. Napoleon Bonaparte: n Intimate Biography
y Vincent Cronin. $12.50/**$8.50**

46. Empire of the Steppes: History of Central Asia
y René Grousset. $17.50/**$9.95**

40. Landmarks of the American evolution: A Guide to Locating and nowing What Happened at the Sites f Independence
y Mark M. Boatner III. $10.00/**$7.95**

38. Seven Who Shaped Our Destiny: The ounding Fathers as Revolutionaries
y Richard B. Morris. $8.95/**$6.95**

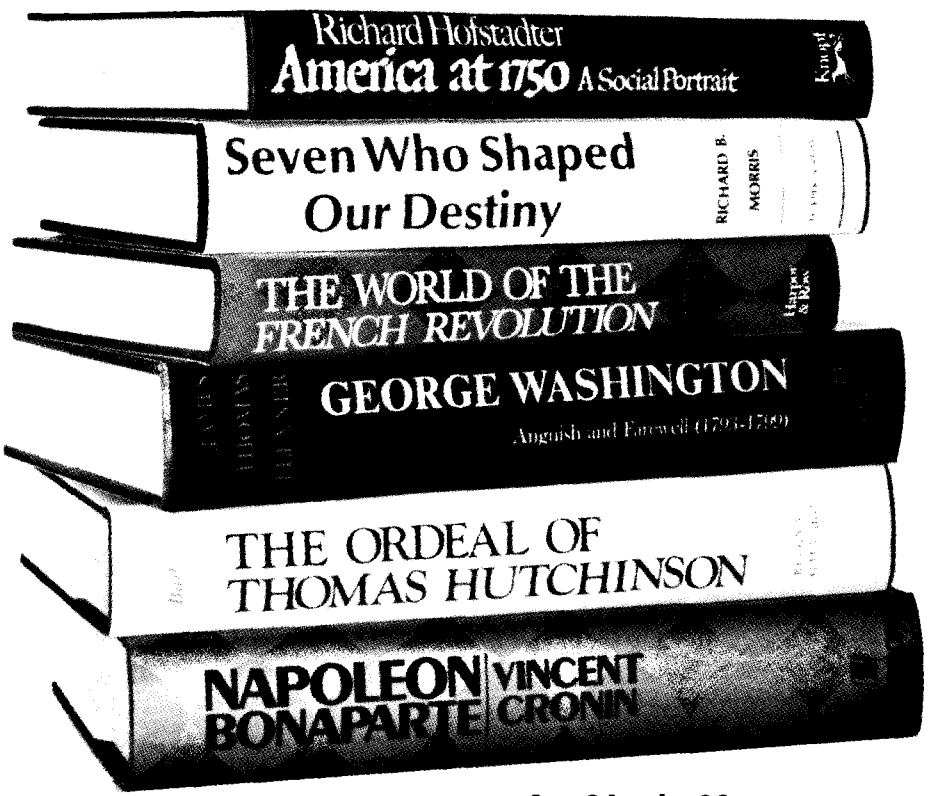
75. Henry II
y W. L. Warren. England's enigmatic, st Plantagenet king and husband of eanor of Aquitaine. $20.00/**$11.50**

54. The Methodist Revolution
y Bernard Semmel. $10.95/**$7.95**

21. The American Political Tradition: nd the Men Who Made It
y Richard Hofstadter. The Pulitzer ize historian's irreverant view of our tional mythology, from the Founding thers to FDR. $7.95/**$6.95**

'2. America at 1750: A Social Portrait
Richard Hofstadter. His last book. $6.95/**$5.80**

'1. The World of the ench Revolution
R. R. Palmer. $8.50/**$6.75**



284. The Spanish-American Revolutions, 1808-26
By John Lynch. $15.00/**$9.95**

671. Medieval History: The Life and Death of a Civilization (2nd Edition)
By Norman F. Cantor. $11.50/**$8.50**

328. The Ordeal of Thomas Hutchinson
By Bernard Bailyn. Tragic career of the hated, last royal governor of Massachusetts — a native American conservative adrift in a sea of change. $12.50/**$8.75**

312. Political Prisoners in America
By Ex-Senator Charles Goodell. The fate of dissenters from Colonial times to the present. $8.95/**$7.35**

311. Who Makes War: The President Versus Congress
By Senator Jacob K. Javits. $8.95/**$7.35**

339. Revolution and Romanticism
By Howard Mumford Jones. Their fascinating interaction and its influence on history, from the 18th century to this day. $15.00/**$9.95**

239. George Washington: Anguish and Farewell (1793-1799)
By James Thomas Flexner. Winner of the National Book Award. $15.00/**$9.75**

Any 3 books 99¢

(Retail value up to $52.50)

The History Book Club
Stamford, Connecticut 06904

Please enroll me as a trial member and send me the books whose numbers I enter below. Bill those on the left at 99¢ for all three and the fourth at the low member's price — plus modest shipping charges.

[ ] [ ] [ ] [ ]

Within two weeks, I may return the books at your expense and owe nothing. Or I will take four more books within a year, always at reduced member's prices plus shipping. Thereafter, I may resign at any time.

FA 32S

Print Name _____

Address _____

City _____ State _____ Zip _____

In Canada: Mail to The History Book Club, 16 Overlea Blvd., Toronto M4H 1A6, Ont.

A note on how the Club works: Every four weeks, you receive our *Review* and a dated reply card. If you want the Editors' Choice, do nothing: the book will come automatically. To order a different book or no book, return the card by specified date. You will have at least 10 days to make your choice — but if you get an unwanted book because of late mail, we guarantee return postage.

The History Book Club

Stamford, Connecticut 06904/Established 1946

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from the Foreign Policy Research Institute

The First Definitive Look at SALT II...

CONTRASTING APPROACHES TO STRATEGIC ARMS CONTROL

EDITED BY
ROBERT L. PFALTZGRAFF, JR.

"SALT involves the basic national security of the United States and also the basic security of the world."

HENRY A. KISSINGER
JUNE 6, 1974

The current Strategic Arms Limitation Talks represent "the most recent and perhaps the most important American contribution to arms control," writes Fred C. Iklē, Director of the United States Arms Control and Disarmament Agency, in his introduction to this important new volume.

CONTRASTING APPROACHES TO STRATEGIC ARMS CONTROL, the first book-length examination of SALT II, brings together a distinguished international group of analysts to assess the major issues that face our country in concluding permanent agreements for limiting strategic weapons. Subjects such as these are discussed in depth:

- The emerging U.S./Soviet strategic military balance.
- U.S./Soviet political and negotiating asymmetries.
- Bureaucratic aspects of arms control policy and negotiations in the U.S. and the Soviet Union.
- United States policy and SALT II.
- The Atlantic Alliance and strategic arms control.
- European strategic nuclear capabilities and targeting options.
- Implications of SALT II for China and potential "Nth" powers, such as Japan and smaller countries.

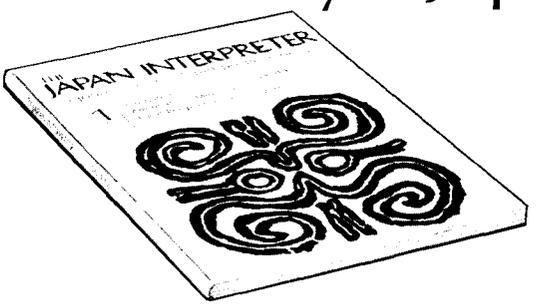
Contributing authors include Graham T. Allison, Joseph I. Coffey, James E. Dougherty, Harry G. Gelber, Walter F. Hahn, Wynfred Joshua, Morton A. Kaplan, Geoffrey Kemp, Makoto Momoi, George H. Quester, Uri Ra'anan, Gaston J. Sigur, William R. Van Cleave, and the editor.

384 pages, $16.50 (t)
(Price subject to change.)

ORDER FROM HEATH
Lexington Books, Dept. FA-3
D. C. HEATH AND COMPANY
125 Spring Street • Lexington, Massachusetts 02173

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Now! See Today's Japan...



From The Japanese Viewpoint.

Nowhere in the world is there a more fascinating, paradoxical country than Japan. And if you're not satisfied with the once-over-lightly view most Americans get of this land of gentleness and dynamism, you should be reading THE JAPAN INTERPRETER.

Published in Tokyo for English-reading people throughout the world, THE JAPAN INTERPRETER reveals modern Japan as only the Japanese themselves know it.

How do the Japanese view their own economic miracle?
How do they come to grips with the modern realities of pollution, women's lib, changing values?

In each quarterly issue, you'll find provocative articles by Japan's leading writers, scholars, and businessmen. Plus book reviews, cultural features, personality profiles, and contributions by U.S. experts on Japan.

A whole new world of exciting, informative reading awaits you in the JAPAN INTREPRETER. Try it now at our special introductory rate of only $7.50 for a full year–25% off the regular rate. Return the coupon below, and your subscription can start with the very next issue!

Here's What Prominent Readers Are Saying:

"A magazine which anyone who appreciates Japan's importance should read."
Edwin O. Reischauer, Professor, Harvard University
Former U.S. Ambassador to Japan

"An exceptionally good journal for giving the English-reading public some sense of the new currents in Japan."
Peter F. Drucker, Author of "Management"

"It is difficult to think of a country more important for Americans correctly to interpret and more complex to understand than Japan . . . This is what makes THE JAPAN INTERPRETER so vital and relevant."
Zbigniew Brzezinski, Director, Trilateral Commission
Professor, Columbia University

"Japan is one of the world's most exciting laboratories for the observation of social change. THE JAPAN INTERPRETER is the microscope for the observation of Japan."
Alvin Toffler, Author of "Future Shock"

THE JAPAN INTERPRETER c/o The Japan Society • 333 East 47th Street • New York, N.Y. 10017

Trial Subscription Offer

Yes, enter my one-year trial subscription (4 quarterly issues) to THE JAPAN INTERPRETER at your introductory rate of only $7.50, a 25% saving on the regular subscription price.

☐ Payment enclosed ☐ Bill me FA

Name _____

Address _____

City _____ State _____ Zip _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PEOPLE'S CHINA AND INTERNATIONAL LAW

A Documentary Study

JEROME ALAN COHEN
and HUNGDAH CHIU

This is a comprehensive study of China's views on all the major questions of public international law. The material chosen includes official acts and statements from every level of the Chinese government, the writings of Chinese scholars, and the speeches of China's leaders, and is supplemented by the authors' extensive introduction, notes and commentary.
Studies in East Asian Law, Harvard University In 2 volumes: Cloth, $60.00; Paper, $25.00

FOREIGN POLICY AND INTERDEPENDENCE IN GAULLIST FRANCE

EDWARD L. MORSE

"A work that combines with rare felicity a theoretical statement about contemporary international politics with a rigorous examination of a particular case. Morse analyzes the impact of modernity that makes for greater interdependence among nations and shows how de Gaulle, 'so blatantly anachronistic,' tried to pursue a course of nationalistic autonomy."—*Foreign Affairs*
Written under the auspices of the Center of International Studies, Princeton University
$14.50

A TACIT ALLIANCE

France and Israel from Suez to the Six-Day War

SYLVIA KOWITT CROSBIE

Using in-depth interviews with the principal architects of the alliance, the author traces the development of the France-Israel friendship from its informal beginnings to its abrupt end in 1967 during the aftermath of the Arab-Israeli June War. Ms. Crosbie studies the problem from the standpoint of the interplay of international politics as it affected the Middle East, at the regional level of the Arab-Israeli dispute, and in terms of the dometsic politics of the two partners of the alliance.
Studies of the Middle East Institute, Columbia University $13.50

THE RULES OF RIOT

Internal Conflict and the Law of War

JAMES E. BOND

Although laws protect human rights in peacetime and during international conflict, no body of law protects those caught up in civil strife. James E. Bond focuses on the major question: How can we regulate civil guerrilla warfare? "A fine piece of work on a critically important problem."—Richard A. Falk,
$11.50

Now in paperback

PRESIDENTS, BUREAUCRATS, AND FOREIGN POLICY

The Politics of Organizational Reform

I. M. DESTLER

"This is the best study that has been done on government reorganization in the field of national security policy."
—Morton H. Halperin Cloth, $12.50; Paper, $3.45

THE MILITARY IN POLITICS

Changing Patterns in Brazil

ALFRED STEPAN

"A brilliant but controversial study."
—*The Economist*
"What makes Stepan's book so interesting is that it shakes up all the old preconceptions about military rule."
—*Washington Post*
A Rand Corporation Research Study
Cloth, $12.50; Paper, $3.45

THE NEW LEFT AND THE ORIGINS OF THE COLD WAR

ROBERT JAMES MADDOX

"Whatever one's explanation of the rise of New Left historiography, it seems abundantly clear that Maddox's volume has performed a great service. It marks a milestone in American historical writing since the Second World War."—*The New York Times Book Review* Cloth, $7.95; Paper, $2.45

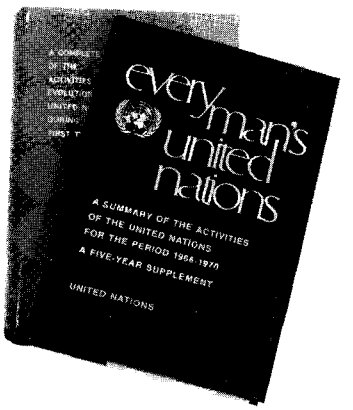
Write for our Political Science catalogue

PRINCETON UNIVERSITY PRESS

Princeton, New Jersey 08540

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNITED NATIONS DAY
24 OCTOBER 1974



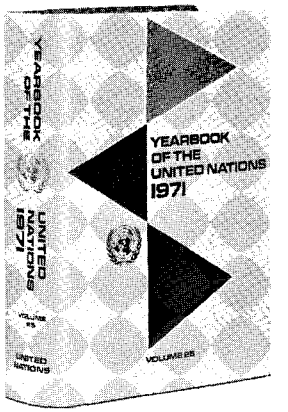
EVERYMAN'S UNITED NATIONS
The Eighth Edition contains the basic history of the Organization from 1945 to 1965 and is a complete handbook of the functions and activities of the United Nations and its related agencies during those twenty years.
The Supplement covers the years 1966 to 1970.
Together they constitute a complete history of the first twenty-five years of the life of the Organization.

Eighth Edition	Clothbound $6.00
	Paperbound $2.50
Supplement	Clothbound $4.00
	Paperbound $1.95
Special price for both volumes	
	Clothbound $7.00
	Paperbound $3.95

DEMOGRAPHIC YEARBOOK 1972
This twenty-fourth issue of the Demographic Yearbook contains 1972 statistics of area, population, natality, mortality, nuptiality and divorce for every country of the world, latest available data on expectation of life and a 7-year trend of international arrivals and departures.
Clothbound $32.00

STATISTICAL YEARBOOK 1973
Important compilation of statistics from countries throughout the world covering a wide range of economic and social subjects, including: population, agriculture, manufacturing, construction, transport, education and culture.
Clothbound $35.00

YEARBOOK OF THE UNITED NATIONS 1971
This is the 25th volume of the only single-volume series giving an annual, fully indexed, compact but comprehensive account organized by subject—of the activities of the United Nations and the intergovernmental organizations related to it. The Yearbook is designed as a tool for use by diplomats and other public officials, by writers, scholars and educators, by librarians, journalists and others seeking a fuller understanding of the work of the United Nations family of organizations. Clothbound $35.00



YEARBOOK ON HUMAN RIGHTS 1970
Annual survey on human rights records significant constitutional, legislative and judicial developments on personal, civil, political, economic, social and cultural rights throughout the world. Includes relevant extracts from decisions of national and international courts; texts and summaries of basic laws relating to human rights in Trust and Non-Self-Governing Territories; and international agreements. Clothbound $10.00

All of these Yearbooks are available on Standing Order.
Request our catalogues, available free of charge:
- Check List of Books in Print 1973
- United Nations
  Official Records 1962-1970
  Supplement 1970-1972
- Standing Order Brochure
- United Nations Periodicals 1974

United Nations Publications, Room LX-2300, New York, N.Y. 10017
or
Palais des Nations, 1211 Geneva 10, Switzerland

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from Brookings

SETTING NATIONAL PRIORITIES: THE 1975 BUDGET
Barry M. Blechman, Edward M. Gramlich, and Robert W. Hartman

"Like its predecessors, this year's book is a gold mine of information about the government's policy choices for the future, including inflation, defense, and social programs."—Edwin L. Dale, Jr., *New York Times*

1974 269 pages $3.50 paper $7.95 cloth

BUREAUCRATIC POLITICS AND FOREIGN POLICY
Morton H. Halperin with the assistance of Priscilla Clapp and Arnold Kanter

"A fascinating catalogue of the processes of maneuver and persuasion as practiced in U.S. foreign policy in the postwar era."—*Foreign Affairs*

1974 340 pages $3.50 paper $8.95 cloth

UNCERTAIN PASSAGE: CHINA'S TRANSITION TO THE POST-MAO ERA
A. Doak Barnett

". . . a carefully balanced analysis of the prospects that face China in the period following the disappearance of Chinese Communist Party Chairman Mao Tse-tung. Mr. Barnett prudently offers no dramatic forecasts, but instead presents us with a range of plausible futures."—Stanley Karnow, *Washington Post*

1974 387 pages $3.95 paper $9.95 cloth

EAST ASIA AND U.S. SECURITY
RALPH N. CLOUGH

By opening relations with Peking and withdrawing its forces from combat in Indochina, the U.S. government has begun to modify the containment policy adopted in East Asia in the 1950s, which led to American military involvement in Vietnam. To provide a basis for a new definition of U.S. policy toward East Asia, the author reassesses U.S. security interests in light of the important changes during the past twenty-five years, concluding that relations with Japan will be the primary interest in that region during this decade. He recommends loosening alignments in Southeast Asia, since American interests there do not appear to justify future intervention by U.S. forces, and discusses relations with Japan, China, and the USSR, suggesting policies toward these countries that would reduce the danger of armed conflict in the region between big powers and would reinforce the determination of the Japanese to keep their country lightly armed and to forgo nuclear weapons.

Fall 1974 c. 200 pages $2.95 paper $7.95 cloth

The Brookings Institution

1775 MASSACHUSETTS AVENUE, N.W., WASHINGTON, D. C. 20036

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

HAVE YOU BEEN MISSING...

. . . the magazine The New York Times calls "indispensable" and Time calls "must reading." It's **The Washington Monthly**, which was the first magazine to reveal the political contributions of the dairy lobby, the first to tell of the United Mine Worker's betrayal of its members. The first to expose how the Army spied on civilian politics, in an article that won two of journalism's most distinguished awards.

It was the first to reveal Presidential impoundments, the first to report why Congress didn't investigate Watergate until after the election, and in an article that won yet another award, it told "Why the White House Press Didn't Get the Watergate Story".

Our "Work in America" series began before The Atlantic's. Our article on the dangers of nuclear hijacking was a year ahead of The New Yorker's. And our case against social security was made two years before Harper's.

The Washington Monthly not only tells you what is going wrong, it tells you why—sometimes beforehand. We explored the problems of Watergate in 1971 with "The Prince and His Courtiers at the White House, the Kremlin, and the Reichschancellery."

When Sam Brown analyzed the failures of the peace movement, The New York Times said "fascinating," and syndicated columnist David Broder wrote that the article "deserves to be read in full and pondered by everyone."

Like so many **Washington Monthly** authors, Sam Brown wrote from the perspective of the insider. Robert Benson and Ernest Fitzgerald knew where the Pentagon was wasting money because they had worked there. Albert Gore could describe what happens in a congressional conference committee because he had served on hundreds of them.

The Washington Monthly was the first to publish important young writers like Taylor Branch and Suzannah Lessard. They are joined by leading political scholars. **The Washington Monthly** published James David Barber's historic analysis of the character of Richard Nixon and Thomas Cronin's important essay on "The Textbook Presidency."

Our conclusions are often unorthodox because we know too many of the old answers have failed. **The Washington Monthly** questioned the Civil Service tenure system and the high salaries in government. It examined Daniel Ellsberg, but in the light of Otto Otepka, the conservative Ellsberg whom most liberals had either forgotten or condemned.

I. F. Stone says it's "outstanding and doesn't go in for half-assed hysterics." According to Nicholas von Hoffman, it "does its specialty—government and politics—better better than any other magazine around." Don't miss it any longer. Subscribe today.

The Washington Monthly
1028 Connecticut Avenue, NW Washington, D. C.

FA 01

Enter my name for a one-year subscription to **The Washington Monthly** for only $10.00.

name_____

address_____

city_____ state_____ zip_____

☐ payment enclosed ☐ bill me

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Norton

American Foreign Policy

Expanded Edition

By HENRY A. KISSINGER. In this new edition, the three original essays are augmented by a major portion of his testimony at the Senate Foreign Relations Committee hearings leading to his confirmation as Secretary of State; his address to the UN General Assembly in September, 1973; and his opening remarks to the peace conference on the Middle East in December, 1973. $6.95

An Inquiry Into the Human Prospect

By ROBERT L. HEILBRONER. "I recommend that his book be given a studious reading. A respected economic historian, Heilbroner is also a gifted and sensitive writer. In AN INQUIRY he sustains the argument with a dazzling farrago of sociology, psychoanalysis, economics and political science that few others can match. In the process . . . he provides new insights into the intricate nexus of forces that at this juncture in history is shaping the destiny of man."
–MELVILLE J. ULMER, *New Republic* $5.95

Kissinger:
Portrait of a Mind

By STEPHEN R. GRAUBARD. "Provides probably the best clue to the policies of our 56th Secretary of State. Professor Graubard has done an admirable job of digesting for us the various ponderous works by Kissinger, from his intense study of Metternich and Castlereagh while still a student at Harvard, to his last article in *Foreign Affairs* before taking up his duties with President Nixon in 1969. . . . The readers of this book will find it easy to apply Kissinger's written ideas to many of his policies since 1969."–*Foreign Affairs* $7.95

In the Human Interest

A Strategy to Stabilize World Population

By LESTER R. BROWN. In an interdisciplinary analysis, the author explores the possibility that we may be on the verge of one of the great discontinuities of human history. He asserts that the U.N.'s projections on world population are no longer acceptable–and shows what must be done by the international community to protect basic social needs of both rich and poor nations. Illustrated with charts. $6.95

At all bookstores

Norton

W. W. NORTON & COMPANY, INC., 500 Fifth Avenue, New York 10036

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BREZHNEV
The Masks Of Power
John Dornberg
In this first full-length biography of the Soviet leader who has made detente his foreign policy and repression his domestic stance, "Mr. Dornberg has undoubtedly produced a useful book . . . that provides valuable insight into the political interplay at the top of the Soviet hierarchy."—Theodore Shabad, *New York Times Book Review*.
Illustrated, $10.00

The Harvard Multinational Enterprise Series

MONEY IN THE MULTINATIONAL ENTERPRISE
Sidney M. Robbins and Robert B. Stobaugh
"An outstanding analysis of financial policy and practice in the multinational corporation."—*Choice*. $11.00*

MANAGING THE MULTINATIONAL ENTERPRISE
John M. Stopford and Louis T. Wells Jr.
"Experiences of 187 U. S. firms and their foreign subsidiaries provide background for this Harvard Business School–sponsored study of multinational corporations."—*Wall Street Journal*. $10.50*

SOVEREIGNTY AT BAY
The Multinational Spread of U. S. Enterprises
Raymond Vernon
"A timely and informative contribution by the leading scholar in the field."—*Charles P. Kindleberger, MIT*. "Probably the most complete body of data on multinational firms ever assembled."—*Fortune*. $8.95*

*Indicates Text discount.

NEW. SIGNIFICANT.
BASIC
BASIC BOOKS INC.
10 EAST 53RD ST. NEW YORK 10022

Pacific Community

An Asian Quarterly Review
Published by the Jiji Press, Ltd.
C.P.O. Box 1007, Tokyo

offers
you the best and nearest way to keep yourself informed about Pacific-Asia

U.S.$4.00 a copy

Vol. 6 No. 1 October '74

Articles in this issue include:

Canada's Pacific Perspective
Ivan L. Head

On Some Inherent Characteristics of Japanese Diplomacy
Katsumi Ohno

Japan's National Defense and the Role of MSDF
Kazutomi Uchida

Understanding and Misunderstanding of Japan in S.E. Asia
Leo Goodstadt

The Campaign to Criticize Lin Piao and Confucius
Edward E. Rice

Pakistan and the Communist World
G. W. Choudhury

Five-Power Defense in Malaysia-Singapore
Alexander MacLeod

Mail this coupon now

To: Japan Publications Trading Co., Ltd.
P.O. Box 5030 Tokyo International

A year surface $16.00 (two years $30.00)
By air $33.50, U.S., Canada
By air $28.00, Asia-Oceania
By air $39.00, rest of world

Please send me year beginning with Vol. No.

Please bill me☐ I enclose☐

Name _____

Address _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TODAY'S ISSUES

COMPLETING THE GATT: TOWARD NEW INTERNATIONAL RULES TO GOVERN EXPORT CONTROLS, by C. Fred Bergsten
New multinational arrangements to assure "access to supplies" are frequently called for, but no one has attempted to show what they would look like. In this pioneering study, Bergsten describes the objectives and techniques of the current proliferation of export controls, and analyzes the threats they pose to the world economy and to international political relationships. After reviewing ineffective past efforts to deal with export controls, he proposes 17 "new multinational rules" which might be adopted to develop the GATT's hitherto blind side, and suggests how such rules might be negotiated. ***Sept 1974, $2.00, BN-16***

FOREIGN DIRECT INVESTMENT IN THE UNITED STATES—OPPORTUNITIES AND IMPEDIMENTS, by Simon Webley
The increasing number and value of foreign direct investments in the U.S. are stimulating sudden interest but mixed reactions. After discussing current trends, the British author reviews factors encouraging "reverse investment" and some of the impediments to it imposed by both capital-exporting countries and the U.S. ***Sept 1974, $2.00, BN-15***

THE GATT NEGOTIATIONS, 1973-75: A GUIDE TO THE ISSUES, by Sidney Golt
This concise report explores five major issues of the new Round: tariffs, agriculture, nontariff barriers, safeguards, and the treatment of developing nations. For each issue, it reviews the ministerial decisions taken in Tokyo, the stated positions of the EC and the U.S., and the negotiating outlook. ***Apr 1974, 96 p, $2.00, BN-14***

CANADA, THE UNITED STATES, AND THE THIRD LAW OF THE SEA CONFERENCE
by Roderick M. Logan
This nontechnical report reviews the U.S. and Canadian positions—often differing in detail and approach—at the 1974 Law of the Sea Conference, and surveys relations between the two countries on six offshore issues: living resources, the continental shelf, the deep seabed, marine pollution, navigation, and scientific marine research. ***July 1974, $3.00, CAC-37***

Currently available from the

national planning association

1606 New Hampshire Avenue, N.W., Suite 15
Washington, D.C. 20009

A NEW HARPER PAPERBACK

Louis J. Halle

DREAM AND REALITY

Aspects of American Foreign Policy With a New Preface by the Author

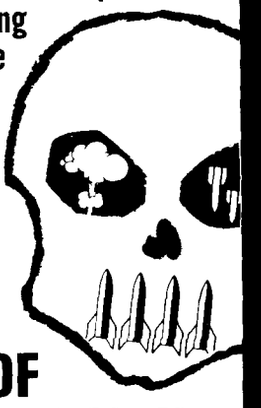
"Seldom has such erudition been illuminated by such realistic analysis. . . . The author's concluding chapters are really brilliant."—S. F. Bemis, ***New York Times Book Review***

"One is again and again stabbed into awareness and interest, aroused to reflection and analysis, given pause for thought, whether in assent or dissent." Nathaniel Pfeffer, ***Political Science Quarterly***

CN/358 $2.95

For a complete catalog, write
Harper & Row
Paperback Dept
10 E. 53d St., New York 10022

How can we cope with the threat of total destruction when modern weapons are changing the way we think and feel about mass murder?



THE COOL ARM OF DESTRUCTION

MODERN WEAPONS AND MORAL INSENSITIVITY
by Robert W. Gardiner
"An excellent work."—*Library Journal*
$5.95, now at your bookstore
THE WESTMINSTER PRESS
920 Witherspoon Bldg., Phila., Pa. 19107

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TWO NEW STUDIES ON DETENTE AND DEVELOPMENT

AGREEMENT ON BERLIN:
A Study of the 1970-72 Quadripartite Negotiations

by Dennis L. Bark

The author provides a penetrating analysis of the first four-power agreement on Berlin in 22 years. The study, published jointly by AEI and the Hoover Institution, examines the 1971 agreement and the reasons why Berlin has been the focus of so much attention for so long. Bark concludes that the agreement made a major contribution to the establishment of more stable relations between West and East in Europe.

Dennis L. Bark is executive secretary of the National Fellows Program and a research fellow at the Hoover Institution.

131 pages Paperback, $3.00

MALAYSIA,
A Case Study in Successful Development

by Wolfgang Kasper

Wolfgang Kasper analyzes Malaysia as one of the frequently overlooked, relatively successful cases of development. What are the factors behind the relative development success of Malaysia? What lessons can be drawn for development policy in other less developed countries? These two questions are the focus for this exhaustive and provocative study.

128 pages Paperback, $3.00

American Enterprise Institute for Public Policy Research

Please send me

_____copies of *Agreement on Berlin* @ $3.00 per copy

_____copies of *Malaysia* @ $3.00 per copy

Payment must accompany orders of under $10.00 Quantity discount information available

Name_____

Address_____

City_____State_____Zip_____

Make checks payable to:
American Enterprise Institute
1150 Seventeenth Street, N.W. · Washington, D.C. 20036

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

JOHNS HOPKINS

The Johns Hopkins University Press, Baltimore, Md. 21218

National Politics and International Technology

Nuclear Development in Western Europe

by Henry R. Nau

Demonstrating that politics characterize both the origin and evolution of international technological cooperation, Nau examines the efforts of members of the European Atomic Energy Community and of related functional organizations to develop nuclear power reactors. He finds that in most instances national interests motivate technological cooperation. "This book places a major piece of empirical research and analysis into the framework of an interesting and significant general understanding of the relationship of technology and politics." *— Robert G. Gilpin, professor of politics and international affairs, Princeton University.* $12.50

Law and Civil War in the Modern World

edited by John Norton Moore

Responding to the challenges posed by recent civil strife in Latin America, Vietnam, and the Middle East, experts here exhibit the most advanced thinking to date on the development of an adequate international legal structure for regulating revolutionary and interventionary violence. The contributors, including James Rosenau, Cyril Black, Oran Young, and Michael Reisman, examine the present law and outline the principles of a satisfactory theory for the regulation of intervention. This study is the culminating volume of over six years of research by the Panel on the Role of International Law in Civil Wars, sponsored by the American Society of International Law. $22.50, $8.95 paper

of related interest

America and the World, Volume II

Retreat From Empire?

The First Nixon Administration

ROBERT E. OSGOOD • ROBERT W. TUCKER
FRANCIS E. ROURKE • HERBERT S. DINERSTEIN
LAURENCE W. MARTIN • DAVID P. CALLEO
BENJAMIN M. ROWLAND • GEORGE LISKA

Written by experts from The Washington Center for Foreign Policy Research, this is the second volume in a continuing assessment of American foreign policy. "A balanced and knowledgeable survey of America's revised role in world affairs set in motion during the first Nixon term."—*John Barkham Reviews* $14.50, $3.95 paper

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BY BREAD ALONE

by Lester R. Brown with Erik P. Eckholm

Lester R. Brown, Senior Fellow of the Overseas Development Council and widely recognized authority on agricultural development, examines the crucial problem of insufficient food for an overabundance of people. He looks at the soaring demand for food that has resulted in declining food reserves, skyrocketing prices and intense competition among countries for available supplies. Most important, he presents a viable solution—one which stresses controlling the *demand*, not just trying to increase the supply. $8.95 cloth; $3.95 paper

EXPANSION AND COEXISTENCE

Soviet Foreign Policy 1917-73
Second Edition

by Adam B. Ulam

The definitive analytical history of Soviet foreign policy, by the Director of Harvard's Russian Research Center, has now been updated to include the years since 1967 and such important subjects as recent developments in Soviet-American relations and the status of Sino-Soviet rivalry. $15.95 cloth; $6.95 paper

THE UNITED STATES AGAINST THE THIRD WORLD

by Melvin Gurtov

A probing indictment of America's short-sighted interventionist policy in the internal politics of Third World nations. The author shows how repression of such forces as nationalism and radical change in those countries runs counter to fundamental long-term U. S. interests. $8.50 cloth; $3.95 paper

THE IDEA OF CHINA

Myth and Theory in Geographic Thought

by Andrew L. March

The people, not the geography, make China what she is, argues a noted China watcher, in a book that does much to brush away the cobwebs of historical thought. While critical of the way the West views the People's Republic, the author is responsive to Mao's own conception of his nation. $8.50

COLD-WAR AMERICA

From Hiroshima to Watergate

by Lawrence S. Wittner

Professor Wittner looks at a crucial period in American history and shows how the nation's conservatives have hampered social change at home and abroad. The book begins dramatically with the bombing of Hiroshima—the symbolic end of World War II and the opening shot of the Cold War—and concludes with the Watergate affair. $12.50 cloth; $5.95 paper

PRAEGER PUBLISHERS 111 Fourth Avenue, New York 10003

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

John K. Fairbank
CHINA PERCEIVED
IMAGES AND POLICIES IN CHINESE-AMERICAN RELATIONS

From America's dean of Chinese studies—his first collection since 1967. Seventeen pungent and scholarly essays in which Fairbank examines such key questions as the true nature of China's foreign policy and our own equally misrepresented China policy, the Vietnam War as the last gasp of "gunboat diplomacy", the nagging problems of Taiwan and the status of China scholarship. A brilliant and stimulating investigation of the whole range of misconceptions and illusions that have clouded U.S.-China relations over the years.

256 pages • Illustrated • $6.95 • Just published by Knopf

Written at Castro's invitation.
(And then attacked and disclaimed.)

IS CUBA SOCIALIST?
René Dumont

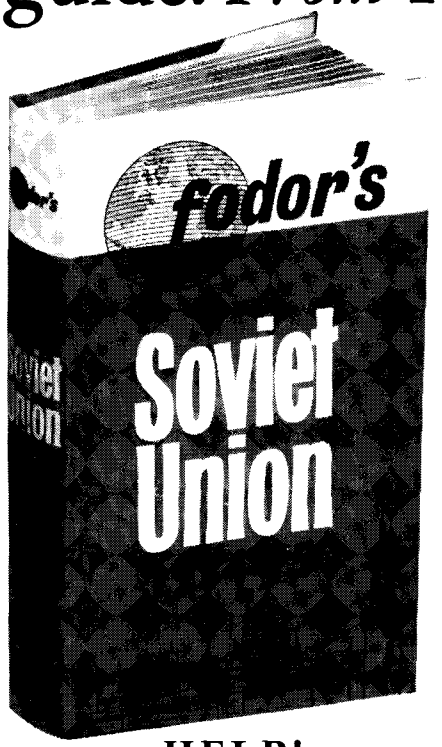
Examining the Cuban socialist structure, from agriculture to economic and political problems, from the guerrilla involvement and the rebellion to a projection of the future, Dumont focuses most closely on the era of centralized and bureaucratic planning—the hard reality which is Cuba today. He challenges the validity and the workability of Castro's socialism "made *for* the masses." Dumont is sympathetic but brutally honest; he is constructive though critical. *Is Cuba Socialist?*, acclaimed throughout Europe, is essential reading for all who want a clear and unpolemical evaluation of the Cuban situation today.

$8.95

THE VIKING PRESS
625 Madison Avenue
New York, N.Y. 10022

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

For the first time, Americans visiting the U.S.S.R. can have a full-scale, authoritative travel guide. *From Fodor's, of course.*



- Here is the very first comprehensive guide to the Soviet Union. It covers every niche of the largest country on earth, and provides a whole new perspective to an adventure behind the Iron Curtain.

- Background chapters bring Soviet history and culture vividly alive, and include an extensive, in-depth view of *The Soviet Way of Life* by Hedrick Smith, Pulitzer Prize-winning Chief of the *New York Times* Moscow Bureau.

- This extraordinary guidebook also includes all the essential, up-to-date information on hotels, restaurants, sights to see, and places to visit, plus full instructions and information on travel *to* and *within* the Soviet Union by plane, train, boat, and car.

- With 12 pages of city plans, 24 pages of photos (many in color), fold-out maps of the entire U.S.S.R., and an extensive English-Russian tourist vocabulary (including a complete pronunciation guide). 543 pages. At your bookstore or mail the convenient coupon below.

HELP!

Fodor's Guide to the Soviet Union is the outcome of years of effort and preparation of an extraordinary nature, quite unlike that connected with any other guidebook we have compiled. We were confronted with the job of exploring every nook and cranny of the biggest country in the world. Yet this is also a country where normal research and personal exploration for preparing a guidebook, which would be considered routine in most other countries, becomes nearly impossible without specific approval and active help of the authorities.

Nevertheless, without official consent or Intourist cooperation we have accomplished what we set out to do, and we believe we have succeeded in a monumental task. At the same time, we beg our readers to let us know of any instance where we have failed to give accurate or complete enough information.

Eugene Fodor

FODOR'S MODERN GUIDES FA
205 East 42nd St., New York 10017

Please send me at once postpaid a copy of FODOR'S SOVIET UNION 1974-75. 543 pages with maps and photographs.

☐ I enclose $10.95 ☐ Check ☐ Money Order

Name _____

Address _____

City _____ State _____ Zip _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BRAZILIAN COMMUNIST PARTY CONFLICT AND INTEGRATION 1922-1972

RONALD H. CHILCOTE

In many Latin American states, Marxists have been a significant, sometimes decisive force. But what of the Communist Party of the region's largest nation? Ronald H. Chilcote examines its history, structure, and potential in "an invaluable book for those interested in understanding the Latin American Left."
—Joseph A. Ellis, City College of New York

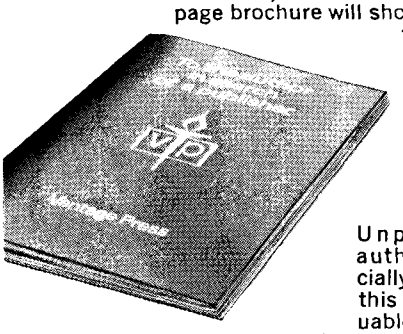
"I THINK THIS WILL STAND AS THE DEFINITIVE WORK ON THE BRAZILIAN COMMUNIST PARTY in English... readable, informative, and carefully researched."—James Nelson Goodsell, *Christian Science Monitor* $15.00

OXFORD UNIVERSITY PRESS
200 Madison Ave./New York, N.Y. 10016

AUTHORS WANTED BY N.Y. PUBLISHER

YOU ARE INVITED to send for a free, illustrated brochure which explains how your book can be published, promoted and marketed.

Whether your subject is fiction, non-fiction or poetry, scientific, scholarly, specialized (even controversial) this handsome 52-page brochure will show you how to arrange for prompt publication.



Unpublished authors, especially, will find this booklet valuable and informative. For your free copy, or more information, write to:

Vantage Press, Inc., Dept. F-70
516 W. 34 St., New York, N. Y. 10001

NEW TITLES FROM INTER AMERICAN

Credit Institutions for Local Authorities in Latin America
by Sol Luis Descartes

Personalism and Party Politics: Institutionalization of the Popular Democratic Party of Puerto Rico
by Kenneth R. Farr

The Politics of Hostility: Castro's Revolution and U.S. Policy
by Lynn Darrell Bender

Puerto Rico: Trasfondo de su Economía
by Sol Luis Descartes

Revista/Review Interamericana
A Quarterly Journal of Interamerican Affairs

Inter American University Press
P. O. Box 1293
Hato Rey, Puerto Rico 00919

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Long after the holiday decorations have been taken down, the good works made possible by UNICEF cards go on.

UNICEF provides urgently needed food, medicines, and school supplies for the children of over 100 countries. All the year round.

UNICEF cards cost no more than ordinary cards and are among the most beautiful and varied available. This year's catalogue lets you choose either contemporary artists' designs or magnificent museum reproductions, all expressing the holiday spirit of universal joy and good will.

Plan to give the world a little help. Send the coupon for your free color brochure of UNICEF cards.

UNICEF Greeting Cards,
Dept. GC, 331 E. 38th St., New York, N.Y. 10016.

I want to help. Please send me your free color brochure listing the complete UNICEF card selections.

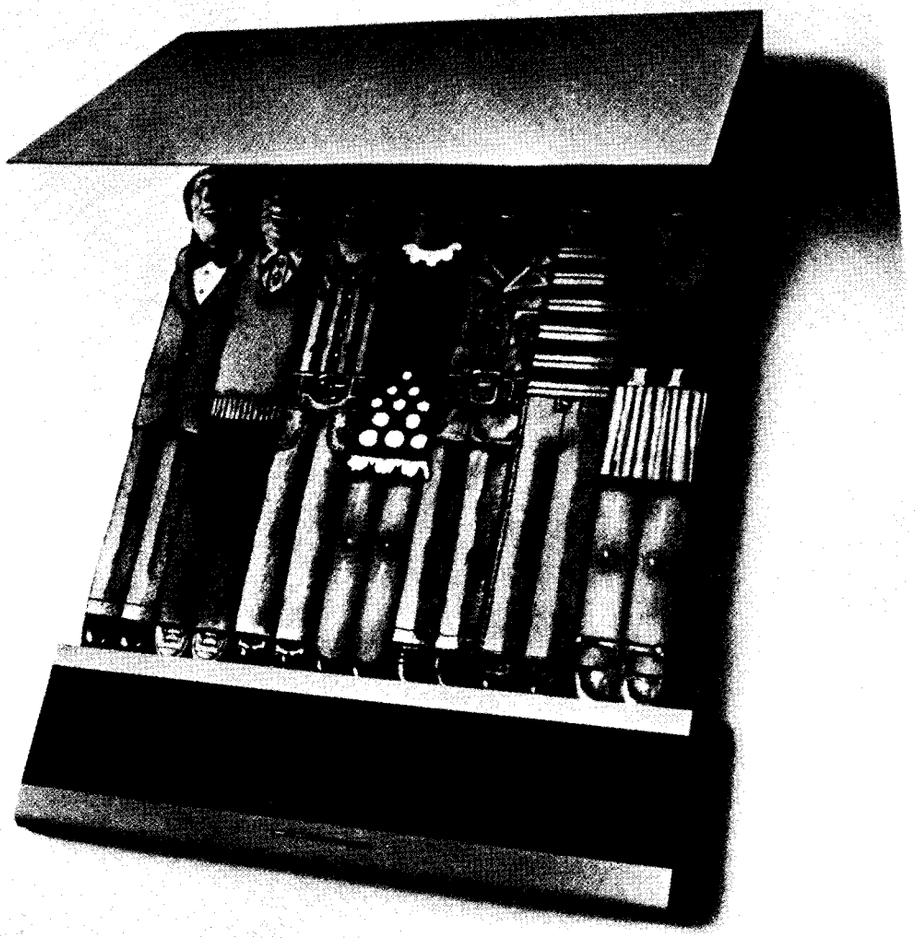
NAME_____

ADDRESS_____

CITY_____

STATE_____ ZIP_____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Matches don't start forest fires.

A Public Service of This Magazine & The Advertising Council

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WRITERS WHY WAIT?

PUBLISH YOUR BOOK IN 90 DAYS

. . . and get expert editing, design, manufacture, publicity, promotion and advertising—all under one roof at low costs. Two **free books** and literature give details and success stories. Write or call Dept. 377

EXPOSITION PRESS, INC.
Jericho, N.Y. 11753 **516 997-9050**

WANT TO PUT FOREIGN AFFAIRS IN ORDER?

Handsome Library Cases hold each year's issues of FOREIGN AFFAIRS neatly in order on your shelf—keep copies easily accessible and protected. The FOREIGN AFFAIRS Library Case is durable, distinctively bound in black simulated leather with 16-k gold embossed lettering. We'll **print the** volume and year numbers free of charge. Just indicate, on the order form, the volumes you want (for example: Vol. 51 will include Oct. '72 through July '73).

Order cases for all your back issues. And how about gift cases for friends who share your interest in FOREIGN AFFAIRS? Each case $4.25; 3 for $12.00; 6 for $22.00—postpaid. U.S.A. orders only.

Change of Address Form

If you are going to move, please advise FOREIGN AFFAIRS 60 days in advance to prevent any interruption in service. Both your old and new address must be given. And please enclose your mailing label. It will enable our Subscription Department to put the change into effect quickly. Many thanks.

ATTACH YOUR MAILING LABEL HERE

PLEASE PRINT

New Address:
Name
Address
City
State Zip

Old Address:
Address
City
State Zip

Mail to: FOREIGN AFFAIRS
428 East Preston Street
Baltimore, Md. 21202

FOREIGN AFFAIRS Subscriber Service
58 East 68th St., New York, N. Y. 10021

Please send me ..... FOREIGN AFFAIRS Library Cases, volume nos. ....., at $4.25 each, postpaid. I enclose check or money order for $.....

Name .....

Address .....

City ..... State ..... Zip .....

You must be satisfied or money will be refunded. Allow 3 weeks for delivery. U.S.A. orders only.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Good books, cheap.

THE CABINET, *Political Authority in Britain,* Patrick Gordon Walker—A penetrating analysis of Cabinet power and politics in action and history, by the former Secretary of State for Foreign Affairs.
5.95 list **1.49**

THE GOVERNMENT OF ETHIOPIA, Margery Pernham—The revised edition; *The Economist* praises: "as she writes, a mass of cold facts seem to warm up under the African sun," but at no expense to authorial expertise.
15.00 list **6.95**

SOCIALIST AND NONSOCIALIST INDUSTRIAL PATTERNS, *A Comparative Appraisal,* Paul Gregory—Over one billion people live in the 12 centrally planned socialist countries, from which an industrialization pattern is derived and compared to current Western economic thought.
15.00 list **1.98**

DISARMAMENT: NEGOTIATIONS AND TREATIES, *1946-1971,* Keesing's Research Report 7—The documentation of efforts to control, ban, and otherwise limit the growth and testing of nuclear weapons, from Hiroshima to SALT.
10.00 list **2.98**

THE INTELLECTUAL MIGRATION, *Europe and America, 1930-1960,* Fleming and Bailyn, editors—An expansion of the second volume of *Perspectives in American History,* an annual journal published by the Charles Warren Center for studies in American History at Harvard University.
12.95 list **5.98**

THE FLOW OF FUNDS IN ISRAEL, Meir Heth—The flow-of-funds system is described and analyzed in its function as an all-purpose gauge for various parts of the Israeli economic whole.
10.00 list **1.98**

NATION-BUILDING IN AFRICA, *Problems and Prospects,* Arnold Rivkin—A noted scholar assesses the chances for nascent African states to achieve viability and stability.
10.00 list **2.98**

SOCIALISM IN CUBA, Leo Huberman and Paul M. Sweezy—An analysis of Cuba's evolution eight years after Castro's violent ascendancy, by the award-winning authors of the prophetic *Cuba: Anatomy of a Revolution.*
5.95 list **1.95**

CONFIRM OR DENY, *Informing the American People on National Security,* Phil G. Goulding—Crisis, controversy, and fiasco in the Pentagon; a lively and often startling account of the late sixties Defence politics.
7.95 list **1.95**

FRANCE, *An Interpretive History,* Ernest John Knapton—A careful reconstruction of the constitutions, the diplomacies, the great historical, cultural, and social events in France's active past.
15.00 list **4.98**

CIVIL NUCLEAR POWER AND INTERNATIONAL SECURITY, Mason Willrich, editor—A broadly interdisciplinary global view and a penetrating exploration of the urgent international problem.
10.00 list **1.98**

THE BLACK MAN'S BURDEN, *The White Man in Africa from the Fifteenth Century to World War I,* E. D. Morel—"No living man," wrote the British *Nation,* "has, by pen and voice alone, done so much to influence the destinies of Africa."
6.00 list **1.95**

THE CHAMBERLAIN CABINET, *How the meetings in 10 Downing Street, 1937-1939, led to the Second World War—Told for the first time from the Cabinet papers,* by Ian Colvin.
7.50 list **2.49**

SHORT HANDBOOK OF COMMUNIST IDEOLOGY, Synopsis of the *Osnovy marksizma-leninizma* with complete index, Selected by Helmut Fleischer—From the D. Reidel *SOVETICA* series, a cynosure of Sovietology, certainly among the most competent presentations in existence (General Editor: Joseph M. Bochenski).
7.25 list **4.38**

THE EVOLUTION OF ENERGY POLICY IN WESTERN EUROPE, *The Reluctant Retreat from Coal,* Richard L. Gordon—A study of coal policies up to the 1958 crisis and subsequent policy changes, demand conditions, internal and external supply developments, rival fuels, prospects and criticisms; thorough.
17.50 list **2.98**

RACE AND RACE HISTORY AND OTHER ESSAYS, by Alfred Rosenberg, Robert Pois, editor (*Roots of the Right* series, General Editor: George Steiner)—Here is the crucible from which sprang the idiom and inhuman vision of the worst totalitarian movement of our age.
7.95 list **2.95**

PLANNING AND GROWTH IN RICH AND POOR COUNTRIES, W. Birmingham and A. G. Ford—Britain, India, Ghana, Sierra Leone, and New Zealand under comparative economic scrutiny.
7.50 list **1.49**

RACIAL INFLUENCES ON AMERICAN FOREIGN POLICY, George W. Shepard, editor—The first authoritative volume to address itself specifically to the varied and subtle effects of racial tensions on the formulation, execution, and reception of our foreign policy.
6.95 list **2.49**

WORLD REALITIES SERIES, General Editor: Brian Crozier—*The series encompasses a broad range of urgent political, social, and economic issues:*

THE FUTURE OF BRITISH FOREIGN POLICY, Max Beloff—A balanced, dispassionate, and lucid survey.

STARVATION OF PLENTY, Colin Clark—Candid overview of the nutrition and population problem, against which is posed the viability of advanced techno-agricultural solutions.

EUROPE AFTER DE GAULLE, Lord Gladwyn—A thoughtful and welcome analysis of the General's idiosyncratic European policy and the post- de Gaulle prognosis.
4.95 each list **1.00 each**

INTERNAL COLONIALISM AND STRUCTURAL CHANGE IN COLOMBIA, A. E. Havens and W. L. Finn, editors—The editors contend that institutional change must occur before economic growth will be self-sustaining in Latin America, that change in economic structure is prerequisite to societal development; the theories are developed around existing data.
15.00 list **1.98**

Enclose check or money order. Add seventy-five cents postage & handling, one dollar for three or more books; D.C. residents please add 5% sales tax.

Scholarly overstock, new and fully guaranteed.

Kramerbooks Distributors, Ltd.

1217 Fourth Street, N.W. Washington, D.C. 20001

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A unique publishing event —

Red Star Rising at Sea

from the landmark Soviet series *Navies in War and in Peace*

by Sergei G. Gorshkov

Commander-in-Chief
Soviet Navy

. . . The flag of the Soviet Navy flies over the oceans of the world. Sooner or later the United States will have to understand it no longer has mastery of the seas . . . .

Admiral Sergei G. Gorshkov
Commander-in-Chief
Soviet Navy

. . . Admiral Gorshkov emerges as a 20th century Russian Mahan, an articulate advocate of seapower as a vital - indeed indispensable - attribute of great power status . . . .

Admiral Elmo R. Zumwalt, Jr., USN (Ret.)
Former U.S. Chief of Naval Operations

The articles that the world's naval leaders have been discussing are now available in book form.

Red Star Rising at Sea is a translation of the epic series *Navies in War and in Peace* by Admiral of the Fleet of the Soviet Union Sergei G. Gorshkov, originally published in the Soviet journal *Morskoi Sbornik* during 1972 and 1973. Published during 1974 in the U. S. Naval Institute *Proceedings*, with the addition of commentaries by distinguished senior U. S. naval officers, the series has been given added significance in book form with an introduction and conclusion by Admiral Elmo R. Zumwalt, Jr., USN (Ret.), Former Chief of Naval Operations.

This unusual publishing event offers to both the student of seapower and the general reader alike, a comprehensive opportunity to study the words of the most significant naval strategists of our era.

_____ Copies Red Star Rising (Clothbound) @ $15.00 $_____

_____ Copies Red Star Rising (Paperbound) @ $10.00 $_____

Total Enclosed *$_____

Name _____

Address _____

_____

Zip Code

_____ _____

United States Naval Institute, Annapolis, Maryland 21402

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Now–an index to 50 years of *Foreign Affairs*

FOREIGN AFFAIRS 50-YEAR INDEX Volumes 1-50, 1922-1972

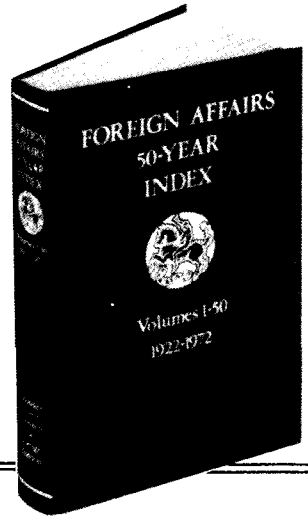
Finding the thousands of people, places, incidents that appeared in *Foreign Affairs* over a 50-year span suddenly becomes easy. All the 2,600 articles, essays, reviews from 200 issues of this important journal are now alphabetically listed in one author/title/subject index. All the information you need to identify and find the item is given in each entry – month, year, page numbers, author.

But that's only the beginning. All the information in each article is also indexed. Concepts, parties, treaties, meetings, etc.– with the page numbers and issues in which they appear. Thus this work becomes virtually the only source for quickly tracing treaty relationships between countries and personal relationships between heads of state . . . locating important minor persons, conferences, etc., which are so hard to find elsewhere . . . finding the origin and use of key words, concepts, "isms" in international affairs.

Compiled by Robert J. Palmer, with a foreword by William P. Bundy, Editor, *Foreign Affairs*. Published by R.R. Bowker Company in association with the Council on Foreign Relations.

6¾″ x 9¾″. 1,284 pages. LC 24-9921. ISBN 0-8352-0584-3. November, 1973. $37.50 plus shipping and handling.

Order on 30-day approval!
R.R. Bowker Company
P.O. Box 1807
Ann Arbor, Michigan 48106
A Xerox Education Company



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

From here Sam Gilbert has a long, clear view of solutions to your Asian business needs.

As vice president in charge of our branch bank in Tokyo, Sam Gilbert knows his way around in both government and business circles.

You'll find him the first man to talk to for a number of good reasons. To get the inside track on Asian investment procedures. To benefit from specialized financing. To be more knowledgeable about importers or exporters. To take advantage of any of the full range of services our expanded branch is well equipped to offer.

Sam's banking career began in Japan and China, followed by 22 distinguished years in our Latin American operations. Now, for five years, he's been back in Tokyo, putting his experience and abilities to work for our customers and helping our office grow into a full-scale branch.

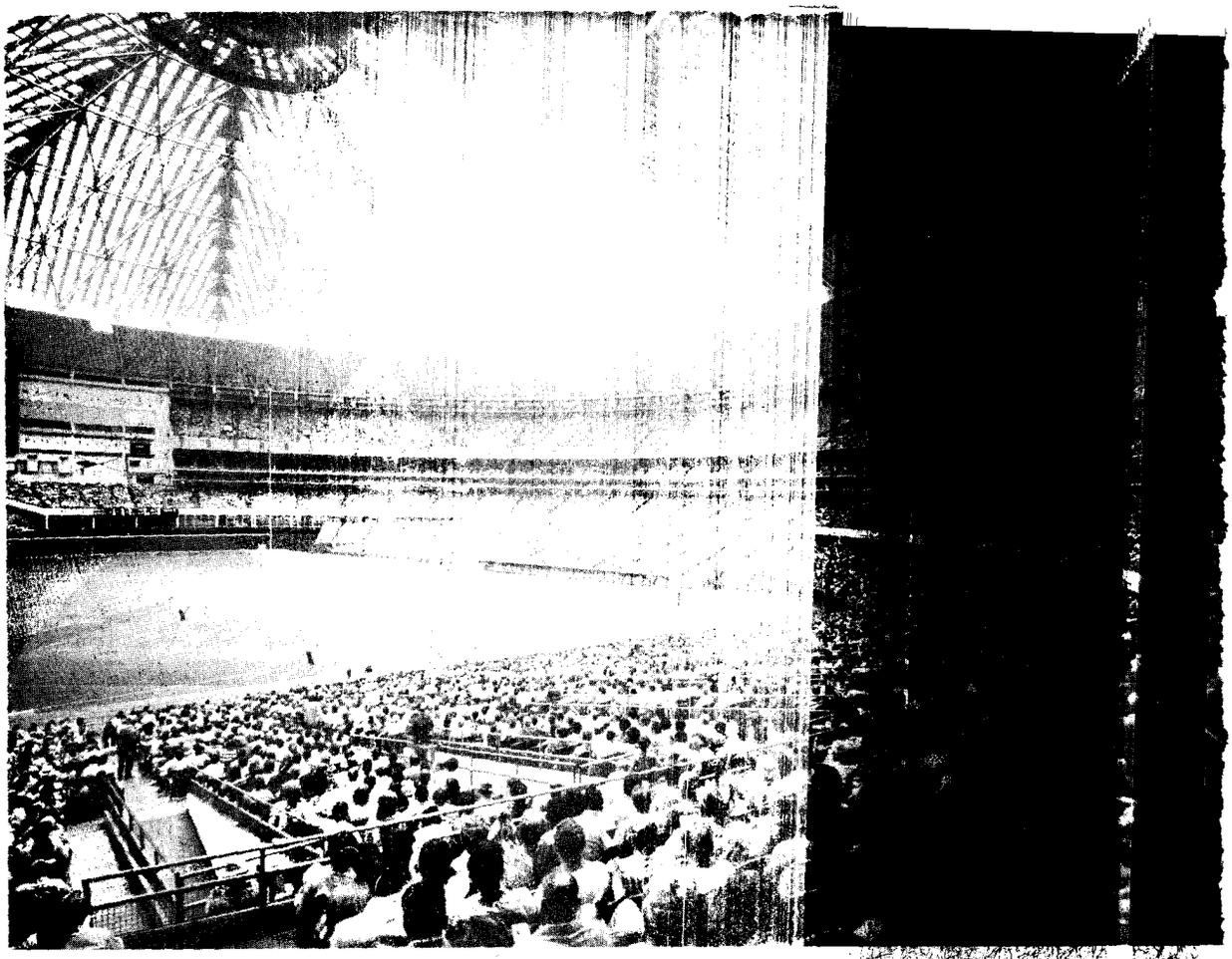
He's a particularly good man to talk to for your factoring and leasing needs. Here we deal from an exceptionally strong position, since we're associated with the Industrial Bank of Japan in Pacific Lease Co., Ltd.... and with the Sanwa Bank in Japan's first factoring company, Orient Factors Limited.

All of these first-person capabilities are ready to work for you. Sam Gilbert's address is: The First National Bank of Boston, AIU Building—7th floor, 1-1-3 Marunouchi, Chiyoda-Ku, Tokyo 100. Mail Address: C.P.O. Box 643 Tokyo 100-91. Telephone: (03) 211-2611/5. Telex: J26341. Cable: BOSTONBANK.

1784

THE FIRST NATIONAL
BANK OF BOSTON

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



At the Houston Astrodome, the game goes on—come rain or come shine.

But in agriculture, Mother Nature still calls most of the shots.

Today's typical farmer is every bit as vulnerable to meteorological caprice as were his predecessors.

Too much rain—or not enough.

Excessive heat—or devastating frost.

Modern technology offers little defense against these and other hazards.

And even technologically advanced countries are subject to insect invasion and blight. (Australia had wheat rust and locusts in 1973, and the U.S. had corn blight problems in 1970.)

In short, the business of agriculture is as unpredictable as the natural factors which govern it.

In today's trade oriented world, availability and price of food in the United States can be influenced by weather on the other side of the globe.

The only solution seems to lie in the Boy Scout motto: "Be prepared."

By building up food stocks when Mother Nature smiles, we will be better able to cope when she doesn't.

Continental Grain Company, 2 Broadway, New York, N.Y. 10004.

Continental Grain

You can fool Mother Nature some of the time.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED